

<i>SERFF Tracking Number:</i>	<i>YTYC-128263158</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Life Insurance Company of the Southwest</i>	<i>State Tracking Number:</i>	
<i>Company Tracking Number:</i>	<i>LSW-SILT-AR</i>		
<i>TOI:</i>	<i>L04I Individual Life - Term</i>	<i>Sub-TOI:</i>	<i>L04I.103 Renewable - Single Life - Fixed/Indeterminate Premium</i>
<i>Product Name:</i>	<i>Single Interest Level Term Life Insurance</i>		
<i>Project Name/Number:</i>	<i>LSW-NLG /SILT0312</i>		

## Filing at a Glance

Company: Life Insurance Company of the Southwest

Product Name: Single Interest Level Term Life Insurance SERFF Tr Num: YTYC-128263158 State: Arkansas

TOI: L04I Individual Life - Term

SERFF Status: Closed-Approved-Closed State Tr Num:

Sub-TOI: L04I.103 Renewable - Single Life - Fixed/Indeterminate Premium

Co Tr Num: LSW-SILT-AR

State Status: Approved-Closed

Filing Type: Form

Author: Kathleen Lohmann  
Date Submitted: 05/04/2012

Reviewer(s): Linda Bird  
Disposition Date: 05/10/2012  
Disposition Status: Approved-Closed

Implementation Date Requested: 06/04/2012

Implementation Date:

State Filing Description:

## General Information

Project Name: LSW-NLG

Project Number: SILT0312

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Status of Filing in Domicile: Pending

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Individual Market Type:

Filing Status Changed: 05/10/2012

State Status Changed: 05/10/2012

Deemer Date:

Created By: Kathleen Lohmann

Submitted By: Kathleen Lohmann

Corresponding Filing Tracking Number:

Filing Description:

We are submitting on behalf of Life Insurance Company of the Southwest, a Term Life Insurance Policy with Accelerated Death Benefits for your consideration. This is a sex distinct policy and will not be issued in any employer-employee plans that are subject to the Norris decision and/or Title VII of the Civil Rights Act of 1964. The policy, application and addendum are new to the company's portfolio and will not replace any previously approved forms.

Form SILT(0312), Level Term Life Insurance Policy with Accelerated Death Benefits, is a non-participating single life policy which targets a general market. There are four options for level terms available – 10, 15, 20 and 30 years. After

SERFF Tracking Number: YTYC-128263158 State: Arkansas  
Filing Company: Life Insurance Company of the Southwest State Tracking Number:  
Company Tracking Number: LSW-SILT-AR  
TOI: L041 Individual Life - Term Sub-TOI: L041.103 Renewable - Single Life -  
Fixed/Indeterminate Premium  
Product Name: Single Interest Level Term Life Insurance  
Project Name/Number: LSW-NLG /SILT0312

the initial level period, premiums increase each year until age 95 when the policy terminates. Premiums are guaranteed. The policy will be marketed primarily via the internet and will be available to Insured ages 20-60 (20-50 for the 30 year option). The minimum face amount is \$25,000, and the maximum is \$350,000. There are two premium bands. Insureds will be assigned to one of the following four rate classes: Preferred Non-tobacco, Select Non-tobacco, Preferred Tobacco, and Select Tobacco. There is no substandard.

Policy SILT(0312) will be applied for on Application for Life Insurance, form 20112AR(0312). Additional Beneficiaries and an Owner other than the Insured, if applicable, will be listed on Addendum form 20113(0312). The application is expected to be submitted primarily through electronic means. In connection with the electronic application, the insurer anticipates that it will authenticate the person who completed the application is the person who signs and submits it by either (a) utilizing a straight-through process under which a break between the completion of the application and the electronic signature process will terminate the application or (b) providing a secure link into the electronic signature process via an e-mail address provided by the person who completed the application. The insurer anticipates permitting an applicant to apply for coverage electronically, subject to the applicant's express prior consent. If the applicant does not consent, the insurer plans to make an alternative paper process available. We have included a document showing reflexive and drop down questions in the electronic application and addendum.

The four attached Actuarial Memorandums for policy SILT(0312) provide general information, describe compliance with the Standard Nonforfeiture Law for Life Insurance and the method of computation of values applicable to the Accelerated Benefits.

Uniquely numbered specification pages for terms of 10, 15, 20 and 30 years are provided in the policy. A Statement of Variability and applicable certifications are provided.

Please feel free to call me at 1-636-639-1880, extension 223, if you have any questions or need additional information. Your acknowledgement and acceptance of this filing will be appreciated.

Sincerely,

Kathleen Lohmann, Consultant for Life Insurance Company of the Southwest.  
Assistant Manager, Year to Year Consulting, L.L.C.  
Email: kathy.lohmann@y2yc.com  
State Narrative:

SERFF Tracking Number: YTYC-128263158 State: Arkansas

Filing Company: Life Insurance Company of the Southwest State Tracking Number:

Company Tracking Number: LSW-SILT-AR

TOI: L04I Individual Life - Term Sub-TOI: L04I.103 Renewable - Single Life - Fixed/Indeterminate Premium

Product Name: Single Interest Level Term Life Insurance

Project Name/Number: LSW-NLG /SILT0312

## Company and Contact

### Filing Contact Information

Kathleen Lohmann, Assistant Manager kathy.lohmann@y2yc.com  
 1580 N. Point Prairie Road 636-639-1880 [Phone]  
 Foristell, MO 63348 636-639-1233 [FAX]

### Filing Company Information

(This filing was made by a third party - yeartoyearconsultingllc)

Life Insurance Company of the Southwest	CoCode: 65528	State of Domicile: Texas
15455 Dallas Parkway	Group Code: 634	Company Type: Life & Accident & Health
Suite 800	Group Name:	State ID Number:
Addison, TX 75001	FEIN Number: 75-0953004	
(802) 229-3333 ext. [Phone]		

## Filing Fees

Fee Required?	Yes
Fee Amount:	\$100.00
Retaliatory?	Yes
Fee Explanation:	State of Domicile assesses \$100 filing fee for this type of filing
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Life Insurance Company of the Southwest	\$100.00	05/04/2012	58940634

SERFF Tracking Number: YTYC-128263158 State: Arkansas

Filing Company: Life Insurance Company of the Southwest State Tracking Number:

Company Tracking Number: LSW-SILT-AR

TOI: L04I Individual Life - Term Sub-TOI: L04I.103 Renewable - Single Life - Fixed/Indeterminate Premium

Product Name: Single Interest Level Term Life Insurance

Project Name/Number: LSW-NLG /SILT0312

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	05/10/2012	05/10/2012

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Linda Bird	05/09/2012	05/09/2012	Kathleen Lohmann	05/10/2012	05/10/2012

### Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Form	Limitations and Exclusions Under the Arkansas Life and Helath Insurance Guaranty Association Act	Kathleen Lohmann	05/07/2012	05/07/2012

<i>SERFF Tracking Number:</i>	<i>YTYC-128263158</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Life Insurance Company of the Southwest</i>	<i>State Tracking Number:</i>	
<i>Company Tracking Number:</i>	<i>LSW-SILT-AR</i>		
<i>TOI:</i>	<i>L04I Individual Life - Term</i>	<i>Sub-TOI:</i>	<i>L04I.103 Renewable - Single Life - Fixed/Indeterminate Premium</i>
<i>Product Name:</i>	<i>Single Interest Level Term Life Insurance</i>		
<i>Project Name/Number:</i>	<i>LSW-NLG /SILT0312</i>		

## Disposition

Disposition Date: 05/10/2012

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: YTYC-128263158 State: Arkansas

Filing Company: Life Insurance Company of the Southwest State Tracking Number:

Company Tracking Number: LSW-SILT-AR

TOI: L041 Individual Life - Term Sub-TOI: L041.103 Renewable - Single Life - Fixed/Indeterminate Premium

Product Name: Single Interest Level Term Life Insurance

Project Name/Number: LSW-NLG /SILT0312

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		No
Supporting Document	Life & Annuity - Actuarial Memo		No
Supporting Document	Third Party Filing Authorizations		Yes
Supporting Document	Reflexive and Drop Down Questions in the Electronic Application and Addendum		Yes
Supporting Document	Statement of Variability		Yes
Form (revised)	Level Term Life Insurance Policy		Yes
Form	Level Term Life Insurance Policy	Replaced	Yes
Form	Application for Individual Life Insurance-Level Term		Yes
Form	Addendum Application for Individual Life Insurance-Level Term		Yes
Form	Application for Election of Accelerated Benefits		Yes
Form	Accelerated Benefit		Yes
Form (revised)	Limitations and Exclusions Under the Arkansas Life and Helath Insurance Guaranty Association Act		Yes
Form	Notice of the Arkansas Life and Health Insurance Guaranty Association Act		Yes
Form	Policy Holder Notice		Yes
Form	Limitations and Exclusions Under the Arkansas Life and Helath Insurance Guaranty Association Act	Replaced	Yes

SERFF Tracking Number: YTYC-128263158 State: Arkansas  
Filing Company: Life Insurance Company of the Southwest State Tracking Number:  
Company Tracking Number: LSW-SILT-AR  
TOI: L04I Individual Life - Term Sub-TOI: L04I.103 Renewable - Single Life -  
Fixed/Indeterminate Premium  
Product Name: Single Interest Level Term Life Insurance  
Project Name/Number: LSW-NLG /SILT0312

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 05/09/2012  
Submitted Date 05/09/2012  
Respond By Date 06/11/2012

Dear Kathleen Lohmann,

This will acknowledge receipt of the captioned filing.

### Objection 1

Comment: Please refer to policy General Provisions under the Suicide Exclusion provision. After the incontestable period expiration you may not restart upon reinstatement. Review Ark. Code Ann. 23-81-115(a)(2)(E).

A.C.A. 23-79-109(1)-(5) sets forth the procedure by which filings may be deemed approved upon the expiration of certain time periods with no affirmative action by the commissioner. If the commissioner determines that additional information is needed to make a decision regarding approval, such request for information will be made to the company. The filing will not be considered complete until said additional information is received. The time periods set forth in this statute will not begin to run until the filing is complete.

Please feel free to contact me if you have questions.

Sincerely,  
Linda Bird

SERFF Tracking Number: YTYC-128263158 State: Arkansas

Filing Company: Life Insurance Company of the Southwest State Tracking Number:

Company Tracking Number: LSW-SILT-AR

TOI: L041 Individual Life - Term Sub-TOI: L041.103 Renewable - Single Life - Fixed/Indeterminate Premium

Product Name: Single Interest Level Term Life Insurance

Project Name/Number: LSW-NLG /SILT0312

## Response Letter

Response Letter Status Submitted to State

Response Letter Date 05/10/2012

Submitted Date 05/10/2012

Dear Linda Bird,

### Comments:

This is in response to objection dated 05/09/2012.

### Response 1

Comments: The Suicide Exclusion provision has been amended to comply with Ark. Code Ann. 23-81-115(a)(2)(E) by removing the last sentence referring to restart of the exclusion upon reinstatement.

### Related Objection 1

Comment:

Please refer to policy General Provisions under the Suicide Exclusion provision. After the incontestable period expiration you may not restart upon reinstatement. Review Ark. Code Ann. 23-81-115(a)(2)(E).

### Changed Items:

No Supporting Documents changed.

### Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Level Term Life Insurance Policy	SILTAR(0312)		Policy/Contract/Fraternal Certificate	Initial		49.300	SILTAR Policy Form.pdf
<b>Previous Version</b>							
Level Term Life Insurance Policy	SILT(0312)		Policy/Contract/Fraternal Certificate	Initial		49.300	SILT Policy Form.pdf

*SERFF Tracking Number:*      *YTYC-128263158*      *State:*      *Arkansas*  
*Filing Company:*      *Life Insurance Company of the Southwest*      *State Tracking Number:*  
*Company Tracking Number:*      *LSW-SILT-AR*  
*TOI:*      *L04I Individual Life - Term*      *Sub-TOI:*      *L04I.103 Renewable - Single Life -*  
                *Fixed/Indeterminate Premium*  
  
*Product Name:*      *Single Interest Level Term Life Insurance*  
*Project Name/Number:*      *LSW-NLG /SILT0312*

**No Rate/Rule Schedule items changed.**

Sincerely,  
Kathleen Lohmann

SERFF Tracking Number: YTYC-128263158 State: Arkansas

Filing Company: Life Insurance Company of the Southwest State Tracking Number:

Company Tracking Number: LSW-SILT-AR

TOI: L04I Individual Life - Term Sub-TOI: L04I.103 Renewable - Single Life - Fixed/Indeterminate Premium

Product Name: Single Interest Level Term Life Insurance

Project Name/Number: LSW-NLG /SILT0312

## Amendment Letter

Submitted Date: 05/07/2012

### Comments:

form SILT-20116AR(0312) was updated to include correct state designation on page 2 of the document

### Changed Items:

#### Form Schedule Item Changes:

#### Form Schedule Item Changes:

Form Number	Form Type	Form Name	Action	Form Action Other	Previous Filing #	Replaced Form #	Readability Score	Attachments
SILT-20116AR(0312)	Other	Limitations and Exclusions Under the Arkansas Life and Helath Insurance Guaranty Association Act	Initial					SILT-20116AR(0312) ARLHIGAA(1).pdf

SERFF Tracking Number: YTYC-128263158 State: Arkansas

Filing Company: Life Insurance Company of the Southwest State Tracking Number:

Company Tracking Number: LSW-SILT-AR

TOI: L041 Individual Life - Term Sub-TOI: L041.103 Renewable - Single Life - Fixed/Indeterminate Premium

Product Name: Single Interest Level Term Life Insurance

Project Name/Number: LSW-NLG /SILT0312

## Form Schedule

### Lead Form Number:

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	SILTAR(0312)	Policy/Contract	Level Term Life Insurance Policy Certificate	Initial		49.300	SILTAR Policy Form.pdf
	20112AR(0312)	Application/Enrollment Form	Application for Individual Life Insurance-Level Term	Initial		40.200	20112AR 0312.pdf
	20113(0312)	Other	Addendum Application for Individual Life Insurance-Level Term	Initial		50.000	20113 0312.pdf
	SILT-20114AR(0312)	Application/Enrollment Form	Application for Election of Accelerated Benefits	Initial		40.000	SILT-20114AR ab app.pdf
	SILT-20115(0312)	Other	Accelerated Benefit	Initial		40.000	SILT-20115 ab disclosure.pdf
	SILT-20116AR(0312)	Other	Limitations and Exclusions Under the Arkansas Life and Helath Insurance Guaranty Association Act	Initial			SILT-20116AR(0312) ARLHIGAA(1).pdf
	SILT-20117AR(0312)	Other	Notice of the Arkansas Life and Health Insurance Guaranty Association Act	Initial			SILT-20117AR(0312) ARnlhigaa.pdf

SERFF Tracking Number: YTYC-128263158 State: Arkansas  
Filing Company: Life Insurance Company of the Southwest State Tracking Number:  
Company Tracking Number: LSW-SILT-AR  
TOI: L04I Individual Life - Term Sub-TOI: L04I.103 Renewable - Single Life -  
Fixed/Indeterminate Premium

Product Name: Single Interest Level Term Life Insurance  
Project Name/Number: LSW-NLG /SILT0312

SILT- Other Policy Holder Notice Initial  
20118AR(0  
312)

SILT-  
20118AR(031  
2)Policy  
Notice.pdf



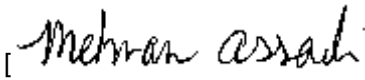
LIFE INSURANCE COMPANY OF THE SOUTHWEST™

**Right To Examine Your Policy – Within ten (10) days or within thirty (30) days if a replacement policy, after You receive this policy, You may have it cancelled by returning it to Us at our Administrative Office. The return of this policy will void it from the beginning and We will refund all premiums paid including any fees or charges.**

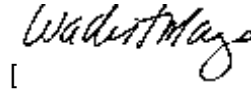
**Life Insurance Company of the Southwest™** promises to pay the Proceeds as shown on Page 3a to the beneficiary upon receipt at Administrative Office of due proof of death of the Insured, subject to the terms and conditions of this policy. All benefits will be payable subject to the policy provisions.

The first premium is payable on or before delivery of this policy. Further premiums are due after the Policy Date pursuant to the provisions of this policy.

This policy is a legal contract between the Owner ("You", or "Your") and Life Insurance Company of the Southwest ("We", "Us", "Our", and "Company"). READ THIS POLICY CAREFULLY.

A handwritten signature in cursive script, appearing to read "Mehman Assad".

Chairman of the Board]

A handwritten signature in cursive script, appearing to read "Wade Mayo".

President]

A handwritten signature in cursive script, appearing to read "James F. McQuinn".

Secretary]

LEVEL TERM LIFE INSURANCE POLICY  
WITH ACCELERATED DEATH BENEFITS  
Annually Renewable / Nonparticipating  
Premium Payable to Date of Expiry  
Insurance Payable at Death Prior to Date of Expiry

[Arkansas Insurance Department (800-852-5494)]

[Life Insurance Company of the Southwest -Home Office: Addison, TX  
Administrative Office: PO Box 44185, Jacksonville, FL 32231-4185  
Customer Service: Phone: 888-423-4204

National Life Group® is a trade name representing various affiliates that offer a variety of financial service products.  
Life Insurance Company of the Southwest is solely responsible for its liabilities.]

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# SPECIFICATION DATA

POLICY NUMBER	[LSW-12345678]	POLICY DATE	[April 1, 2012]
INSURED	[John Doe]	DATE OF ISSUE	[April 1, 2012]
AGE AT ISSUE	[35]	DATE OF EXPIRY	[April 1, 2072]
SEX	[Male]		
PLAN	Term to attained age 95 Life Insurance		
RATE CLASS	[Standard Non-Tobacco]		
LEVEL PREMIUM PERIOD	[10 Years]		

## SCHEDULE OF BENEFITS

<u>Benefit Description</u>	<u>Face Amount</u>	<u>Annual Premium*</u>	<u>Payable For</u>
Level Term Life Insurance with Accelerated Death Benefit	[\$100,000.00]	[\$286.00]	[10 years]

\*Premiums for all Policy Years are shown on the following policy specification page. The annual premium for the Term Life Insurance includes a \$75.00 annual policy fee.

Premiums may be paid [annually, semi-annually, quarterly, monthly, or bi-weekly] by check or any other method we make available at the time the premium is paid or at any mode agreed upon by Us. The mode of payment may be changed at any Policy Anniversary by written agreement. The Modal premium will be determined by multiplying the annual premium by the following factors:

[Annual 1.000	Semi-Annual .530	Quarterly .270	Monthly .091	Bi-weekly .042]
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Your yearly cost will be higher if you choose to pay premiums more frequently than annually. For example, the additional amount you will pay is as follows:

<u>Premium Frequency</u>	<u>Number of payments per year</u>	<u>Modal premium factor</u>	<u>Amount of each premium payment</u>	<u>Total premium per year</u>	<u>Amount you will pay each year in addition to the annual premium</u>
[Annual	1	1.000	\$286.00	\$286.00	\$0.00
Semi-Annual	2	0.530	\$151.58	\$303.16	\$17.16
Quarterly	4	0.270	\$77.22	\$308.88	\$22.88
Monthly	12	0.091	\$26.03	\$312.36	\$26.36
Bi-Weekly	26	0.042	\$12.01	\$312.26	\$26.26]

# SPECIFICATION DATA

POLICY NUMBER [LSW-12345678]

INSURED [John Doe]

## ANNUAL PREMIUM SCHEDULE

POLICY YEAR	*TERM LIFE INSURANCE POLICY PREMIUMS	POLICY YEAR	*TERM LIFE INSURANCE POLICY PREMIUMS
[01	\$286.00	31	\$6,567.00
02	\$286.00	32	\$7,187.00
03	\$286.00	33	\$7,835.00
04	\$286.00	34	\$8,519.00
05	\$286.00	35	\$9,287.00
06	\$286.00	36	\$10,183.00
07	\$286.00	37	\$11,271.00
08	\$286.00	38	\$12,543.00
09	\$286.00	39	\$13,883.00
10	\$286.00	40	\$15,323.00
11	\$1,051.00	41	\$16,891.00
12	\$1,143.00	42	\$18,659.00
13	\$1,219.00	43	\$20,715.00
14	\$1,279.00	44	\$23,103.00
15	\$1,355.00	45	\$25,779.00
16	\$1,455.00	46	\$28,763.00
17	\$1,583.00	47	\$32,007.00
18	\$1,739.00	48	\$35,443.00
19	\$1,919.00	49	\$39,195.00
20	\$2,147.00	50	\$43,367.00
21	\$2,403.00	51	\$48,007.00
22	\$2,667.00	52	\$53,111.00
23	\$2,923.00	53	\$58,627.00
24	\$3,179.00	54	\$64,491.00
25	\$3,479.00	55	\$70,643.00
26	\$3,843.00	56	\$76,771.00
27	\$4,287.00	57	\$82,803.00
28	\$4,803.00	58	\$89,123.00
29	\$5,367.00	59	\$95,787.00
30	\$5,955.00	60	\$96,229.00]

\*The Annual Premium for the Term Life Insurance Policy includes a \$75.00 annual policy fee.  
Refer to Page 3a for information regarding modal Premium Payment Options and Modal Factors.

# SPECIFICATION DATA

POLICY NUMBER	[LSW-12345678]	POLICY DATE	[April 1, 2012]
INSURED	[John Doe]	DATE OF ISSUE	[April 1, 2012]
AGE AT ISSUE	[35]	DATE OF EXPIRY	[April 1, 2072]
SEX	[Male]		
PLAN	Term to attained age 95 Life Insurance		
RATE CLASS	[Standard Non-Tobacco]		
LEVEL PREMIUM PERIOD	[15 Years]		

## SCHEDULE OF BENEFITS

<u>Benefit Description</u>	<u>Face Amount</u>	<u>Annual Premium*</u>	<u>Payable For</u>
Level Term Life Insurance with Accelerated Death Benefit	[\$100,000.00]	[\$321.00]	[15 years]

\*Premiums for all Policy Years are shown on the following policy specification page. The annual premium for the Term Life Insurance includes a \$75.00 annual policy fee.

Premiums may be paid [annually, semi-annually, quarterly, monthly, or bi-weekly] by check or any other method we make available at the time the premium is paid or at any mode agreed upon by Us. The mode of payment may be changed at any Policy Anniversary by written agreement. The Modal premium will be determined by multiplying the annual premium by the following factors:

[Annual 1.000	Semi-Annual .530	Quarterly .270	Monthly .091	Bi-weekly .042]
------------------	---------------------	-------------------	-----------------	--------------------

Your yearly cost will be higher if you choose to pay premiums more frequently than annually. For example, the additional amount you will pay is as follows:

<u>Premium Frequency</u>	<u>Number of payments per year</u>	<u>Modal premium factor</u>	<u>Amount of each premium payment</u>	<u>Total premium per year</u>	<u>Amount you will pay each year in addition to the annual premium</u>
[Annual	1	1	\$321.00	\$321.00	\$0.00
Semi-Annual	2	0.53	\$170.13	\$340.26	\$19.26
Quarterly	4	0.27	\$86.67	\$346.68	\$25.68
Monthly	12	0.091	\$29.21	\$350.52	\$29.52
Bi-Weekly	26	0.042	\$13.48	\$350.48	\$29.48]

# SPECIFICATION DATA

POLICY NUMBER [LSW-12345678]

INSURED [John Doe]

## ANNUAL PREMIUM SCHEDULE

POLICY YEAR	*TERM LIFE INSURANCE POLICY PREMIUMS	POLICY YEAR	*TERM LIFE INSURANCE POLICY PREMIUMS
[01	\$321.00	31	\$6,567.00
02	\$321.00	32	\$7,187.00
03	\$321.00	33	\$7,835.00
04	\$321.00	34	\$8,519.00
05	\$321.00	35	\$9,287.00
06	\$321.00	36	\$10,183.00
07	\$321.00	37	\$11,271.00
08	\$321.00	38	\$12,543.00
09	\$321.00	39	\$13,883.00
10	\$321.00	40	\$15,323.00
11	\$321.00	41	\$16,891.00
12	\$321.00	42	\$18,659.00
13	\$321.00	43	\$20,715.00
14	\$321.00	44	\$23,103.00
15	\$321.00	45	\$25,779.00
16	\$1,455.00	46	\$28,763.00
17	\$1,583.00	47	\$32,007.00
18	\$1,739.00	48	\$35,443.00
19	\$1,919.00	49	\$39,195.00
20	\$2,147.00	50	\$43,367.00
21	\$2,403.00	51	\$48,007.00
22	\$2,667.00	52	\$53,111.00
23	\$2,923.00	53	\$58,627.00
24	\$3,179.00	54	\$64,491.00
25	\$3,479.00	55	\$70,643.00
26	\$3,843.00	56	\$76,771.00
27	\$4,287.00	57	\$82,803.00
28	\$4,803.00	58	\$89,123.00
29	\$5,367.00	59	\$95,787.00
30	\$5,955.00	60	\$96,229.00]

\*The Annual Premium for the Term Life Insurance Policy includes a \$75.00 annual policy fee.  
Refer to Page 3a for information regarding modal Premium Payment Options and Modal Factors.

# SPECIFICATION DATA

POLICY NUMBER	[LSW-12345678]	POLICY DATE	[April 1, 2012]
INSURED	[John Doe]	DATE OF ISSUE	[April 1, 2012]
AGE AT ISSUE	[35]	DATE OF EXPIRY	[April 1, 2072]
SEX	[Male]		
PLAN	Term to attained age 95 Life Insurance		
RATE CLASS	[Standard Non-Tobacco]		
LEVEL PREMIUM PERIOD	[20 Years]		

## SCHEDULE OF BENEFITS

<u>Benefit Description</u>	<u>Face Amount</u>	<u>Annual Premium*</u>	<u>Payable For</u>
Level Term Life Insurance with Accelerated Death Benefit	[\$100,000.00]	[\$357.00]	[20 years]

\*Premiums for all Policy Years are shown on the following policy specification page. The annual premium for the Term Life Insurance includes a \$75.00 annual policy fee.

Premiums may be paid [annually, semi-annually, quarterly, monthly, or bi-weekly] by check or any other method we make available at the time the premium is paid or at any mode agreed upon by Us. The mode of payment may be changed at any Policy Anniversary by written agreement. The Modal premium will be determined by multiplying the annual premium by the following factors:

[Annual 1.000	Semi-Annual .530	Quarterly .270	Monthly .091	Bi-weekly .042]
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Your yearly cost will be higher if you choose to pay premiums more frequently than annually. For example, the additional amount you will pay is as follows:

<u>Premium Frequency</u>	<u>Number of payments per year</u>	<u>Modal premium factor</u>	<u>Amount of each premium payment</u>	<u>Total premium per year</u>	<u>Amount you will pay each year in addition to the annual premium</u>
[Annual	1	1	\$357.00	\$357.00	\$0.00
Semi-Annual	2	0.53	\$189.21	\$378.42	\$21.42
Quarterly	4	0.27	\$96.39	\$385.56	\$28.56
Monthly	12	0.091	\$32.49	\$389.88	\$32.88
Bi-Weekly	26	0.042	\$14.99	\$389.74	\$32.74]

# SPECIFICATION DATA

POLICY NUMBER [LSW-12345678]

INSURED [John Doe]

## ANNUAL PREMIUM SCHEDULE

POLICY YEAR	*TERM LIFE INSURANCE POLICY PREMIUMS	POLICY YEAR	*TERM LIFE INSURANCE POLICY PREMIUMS
[01	\$357.00	31	\$6,567.00
02	\$357.00	32	\$7,187.00
03	\$357.00	33	\$7,835.00
04	\$357.00	34	\$8,519.00
05	\$357.00	35	\$9,287.00
06	\$357.00	36	\$10,183.00
07	\$357.00	37	\$11,271.00
08	\$357.00	38	\$12,543.00
09	\$357.00	39	\$13,883.00
10	\$357.00	40	\$15,323.00
11	\$357.00	41	\$16,891.00
12	\$357.00	42	\$18,659.00
13	\$357.00	43	\$20,715.00
14	\$357.00	44	\$23,103.00
15	\$357.00	45	\$25,779.00
16	\$357.00	46	\$28,763.00
17	\$357.00	47	\$32,007.00
18	\$357.00	48	\$35,443.00
19	\$357.00	49	\$39,195.00
20	\$357.00	50	\$43,367.00
21	\$2,403.00	51	\$48,007.00
22	\$2,667.00	52	\$53,111.00
23	\$2,923.00	53	\$58,627.00
24	\$3,179.00	54	\$64,491.00
25	\$3,479.00	55	\$70,643.00
26	\$3,843.00	56	\$76,771.00
27	\$4,287.00	57	\$82,803.00
28	\$4,803.00	58	\$89,123.00
29	\$5,367.00	59	\$95,787.00
30	\$5,955.00	60	\$96,229.00]

\*The Annual Premium for the Term Life Insurance Policy includes a \$75.00 annual policy fee.  
Refer to Page 3a for information regarding modal Premium Payment Options and Modal Factors.

# SPECIFICATION DATA

POLICY NUMBER	[LSW-12345678]	POLICY DATE	[April 1, 2012]
INSURED	[John Doe]	DATE OF ISSUE	[April 1, 2012]
AGE AT ISSUE	[35]	DATE OF EXPIRY	[April 1, 2072]
SEX	[Male]		
PLAN	Term to attained age 95 Life Insurance		
RATE CLASS	[Standard Non-Tobacco]		
LEVEL PREMIUM PERIOD	[30 Years]		

## SCHEDULE OF BENEFITS

<u>Benefit Description</u>	<u>Face Amount</u>	<u>Annual Premium*</u>	<u>Payable For</u>
Level Term Life Insurance with Accelerated Death Benefit	[\$100,000.00]	[\$438.00]	[30 years]

\*Premiums for all Policy Years are shown on the following policy specification page. The annual premium for the Term Life Insurance includes a \$75.00 annual policy fee.

Premiums may be paid [annually, semi-annually, quarterly, monthly, or bi-weekly] by check or any other method we make available at the time the premium is paid or at any mode agreed upon by Us. The mode of payment may be changed at any Policy Anniversary by written agreement. The Modal premium will be determined by multiplying the annual premium by the following factors:

[Annual 1.000	Semi-Annual .530	Quarterly .270	Monthly .091	Bi-weekly .042]
------------------	---------------------	-------------------	-----------------	--------------------

Your yearly cost will be higher if you choose to pay premiums more frequently than annually. For example, the additional amount you will pay is as follows:

<u>Premium Frequency</u>	<u>Number of payments per year</u>	<u>Modal premium factor</u>	<u>Amount of each premium payment</u>	<u>Total premium per year</u>	<u>Amount you will pay each year in addition to the annual premium</u>
[Annual	1	1.000	\$438.00	\$438.00	\$0.00
Semi-Annual	2	0.530	\$232.14	\$464.28	\$26.28
Quarterly	4	0.270	\$118.26	\$473.04	\$35.04
Monthly	12	0.091	\$39.86	\$478.32	\$40.32
Bi-Weekly	26	0.042	\$18.40	\$478.40	\$40.40]

# SPECIFICATION DATA

POLICY NUMBER [LSW-12345678]

INSURED [John Doe]

## ANNUAL PREMIUM SCHEDULE

POLICY YEAR	*TERM LIFE INSURANCE POLICY PREMIUMS	POLICY YEAR	*TERM LIFE INSURANCE POLICY PREMIUMS
[01	\$438.00	31	\$6,567.00
02	\$438.00	32	\$7,187.00
03	\$438.00	33	\$7,835.00
04	\$438.00	34	\$8,519.00
05	\$438.00	35	\$9,287.00
06	\$438.00	36	\$10,183.00
07	\$438.00	37	\$11,271.00
08	\$438.00	38	\$12,543.00
09	\$438.00	39	\$13,883.00
10	\$438.00	40	\$15,323.00
11	\$438.00	41	\$16,891.00
12	\$438.00	42	\$18,659.00
13	\$438.00	43	\$20,715.00
14	\$438.00	44	\$23,103.00
15	\$438.00	45	\$25,779.00
16	\$438.00	46	\$28,763.00
17	\$438.00	47	\$32,007.00
18	\$438.00	48	\$35,443.00
19	\$438.00	49	\$39,195.00
20	\$438.00	50	\$43,367.00
21	\$438.00	51	\$48,007.00
22	\$438.00	52	\$53,111.00
23	\$438.00	53	\$58,627.00
24	\$438.00	54	\$64,491.00
25	\$438.00	55	\$70,643.00
26	\$438.00	56	\$76,771.00
27	\$438.00	57	\$82,803.00
28	\$438.00	58	\$89,123.00
29	\$438.00	59	\$95,787.00
30	\$438.00	60	\$96,229.00]

\*The Annual Premium for the Term Life Insurance Policy includes a \$75.00 annual policy fee.  
Refer to Page 3a for information regarding modal Premium Payment Options and Modal Factors.

## GENERAL PROVISIONS

### General Terms Used in this Policy

#### **Administrative Office**

The principal location for policy administration as shown on page 1, which may be changed by Us on notice to You.

#### **Attained Age**

The Insured's Age At Issue, as shown on Page 3a, plus the number of completed Policy Years.

#### **Policy Date**

The date We use to determine Policy Anniversaries, Policy Years and Policy Months. If a requested Policy Date should fall on the 29<sup>th</sup>, 30<sup>th</sup>, or 31<sup>st</sup> of a month, the Policy Date will be the 28<sup>th</sup> of such month.

#### **Policy Anniversary**

The same date as the Policy Date for each succeeding year this policy remains in force.

#### **Policy Year**

A one year period of time starting on successive Policy Anniversaries, with the first Policy Year starting on the Policy Date.

#### **Proceeds**

The money We will pay as a death benefit, shown as the applicable Face Amount on Page 3a: less any overdue premium(s); plus any premium refund. All payments by Us under this policy are payable in United States currency.

### **The Contract**

This is Your policy. This policy and the attached copy of the application form the entire contract. All statements made by or for the Insured are, in the absence of fraud, considered to be representations and not warranties. We will not use any statement by or for the Insured to void this policy or to deny a claim unless it is contained in the application.

### **Change of Provisions**

Only one of Our authorized officers can change the terms or waive a provision of this policy. Any such change must be in writing.

### **Incontestability**

We will not contest this policy after it has been in force during the Insured's lifetime for two (2) years from the Date of Issue. This policy may only be contested based on a statement contained in the application. If this policy is reinstated, the incontestability period will start over again beginning on the reinstatement date, but only for statements made in the application for reinstatement. This policy may only be contested based on a statement contained in the application for reinstatement. The statement on which the contest is based shall be material to the risk accepted or hazard assumed by Us.

Notwithstanding the above, We may contest Your policy at any time if it was procured by fraud, as permitted by law of the state in which Your policy was delivered.

### **Misstatement of Age or Sex**

If the Insured's age or sex is misstated, We will adjust any Proceeds payable to the amount which the premiums paid would have purchased at the correct age and sex according to Our rates on the Policy Date.

### **Suicide Exclusion**

If this policy is in force and the Insured commits suicide, while sane or insane, within two (2) years from the Date of Issue, We will limit Our payment to a refund of all premiums paid.

## **DEATH BENEFITS**

### **Death Benefit Proceeds**

The death benefit Proceeds are payable upon receipt of due proof that the Insured has died while this policy is in force prior to the expiry date. The Proceeds consist of:

- a. the Face Amount as shown on page 3a; less
- b. any amounts needed in accordance with the Grace Period provision; plus
- c. a refund of any premium paid beyond the month in which death occurred.

Interest will accrue on death benefit Proceeds from the date of the Insured's death to the date of payment. The rate of such interest will be the rate established by us for funds left on deposit as of the date of death. Additional interest at the rate of 10% annually will apply beginning with the date that is 31 calendar days from the latest of:

- a. the date that due proof of death is received by Us.
- b. the date We receive sufficient information to determine its liability, the extent of the liability, and the appropriate payee legally entitled to the Proceeds; and
- c. the date the legal impediments to payment of Proceeds that depend on the action of parties other than the Company are resolved and sufficient evidence of the same is provided to the Company. Legal impediments to payment include, but are not limited to, the establishment of guardianships and conservatorships, the appointment and qualification of trustees, executors and administrators, and the submission of information required to satisfy state and federal reporting requirements

## **ACCELERATED BENEFITS**

### **Benefit**

If the requirements described in this policy are met, we will pay the Accelerated Benefits Amount to the Owner during the lifetime of the Insured. Such benefit will be paid in lieu of payment of the full death benefit of this policy and subject to the terms of this policy. The Amount will be paid in one lump sum.

### **Accelerated Benefits Amount**

The Accelerated Benefits Amount ("Amount") will be determined when the Owner elects Accelerated Benefits. It will be determined as of the Election Date. The following factors may be used in the determination of the Amount:

- a. future premiums payable under the policy,
- b. future expected lifetime of the Insured,
- c. any administrative fee assessed, and
- d. the Accelerated Benefits Interest Rate in effect.

### **Accelerated Benefits Interest Rate**

We will declare the Accelerated Benefits Interest Rate. It will not exceed the greater of:

- a. the yield on 90-day U.S. Treasury Bills on the Date of Issue, and
- b. the maximum adjustable policy loan interest rate allowed by law on the Election Date.

### **Election of Accelerated Benefit**

The Accelerated Benefits Amount will be paid in lieu of any future death benefit under this policy. This policy will terminate on the Election Date.

### **Election Date**

The Election Date is the date that the Application for Election of Accelerated Benefits is signed by the Owner of this policy.

### **Election**

To elect Accelerated Benefits, the Owner must complete an Application for Election of Accelerated Benefits. We will provide this Application at the Owner's request. The Owner must provide Us with the written consent of any assignee and any irrevocable beneficiaries. We may request a copy of the policy accompany the Application to Our Administrative Office

**Legal Requirements**

If the Owner is required by law to elect Accelerated Benefits to meet the claims of creditors, whether in bankruptcy or otherwise, Accelerated Benefits will not be available.

If the Owner is required by a government agency to elect Accelerated Benefits to apply for, obtain, or keep a government benefit or entitlement, Accelerated Benefits will not be available.

**Physician**

Physician means a doctor of medicine or osteopathy, practicing within the scope of his or her license issued by the jurisdiction in the United States of America in which his or her services are rendered. Physician does not include the Owner, the Insured, or a member of the Owner's or the Insured's Immediate Families. Immediate Families means a person's parents, stepparents, grandparents, spouse, domestic partner, children (adopted, natural, or step), siblings, grandchildren, or in-laws.

**Proof of Terminal Illness**

We must receive written proof satisfactory to Us that the Insured is Terminally Ill. Such written proof must include a statement from a Physician certifying that the Insured is Terminally Ill.

We have the right to have the Insured examined by a physician of Our own choice when and as often as We may reasonably require while an election of Accelerated Benefits is pending. Any such examination will be made at Our expense.

**Terminal Illness**

Accelerated Benefits apply only if the Insured is Terminally Ill. Terminally Ill means that the Insured under this policy has been certified by a Physician as having an illness or chronic condition which can reasonably be expected to result in death in twelve (12) months or less from the date of certification.

## **BENEFICIARIES**

**Designation and Change of Beneficiaries**

The beneficiary is the person or persons named to receive the Proceeds of this policy upon the death of the Insured. The designation of beneficiary in the application shall remain in effect until You change it. You may designate the primary and contingent beneficiaries and further payees of Proceeds.

While the Insured is living You can change the beneficiary by written notice in a form acceptable to us, unless the beneficiary has been designated as irrevocable. The change will take effect as of the date the form was signed, subject to any payment made or other action taken by us before such notice. Any beneficiary You designate as irrevocable must provide written consent for You to exercise any right specified in this policy.

**Succession in Interest of Beneficiaries and Payees**

Unless otherwise provided, the following will apply:

- a. the beneficiary at the Insured's death will be as stated in the designation then in effect;
- b. the Proceeds will be payable in equal shares to the primary beneficiaries who survive the Insured;
- c. the unpaid shares of any primary payee who dies while receiving payments will be payable in equal shares to the other primary payees who survive the Insured;
- d. at the death of the last surviving primary beneficiary, the Proceeds will be payable in equal shares to the contingent beneficiaries who survive the Insured;
- e. the unpaid share of any contingent payee who dies while receiving payments will be payable in equal shares to the other contingent payees who survive;
- f. if there are no surviving beneficiaries, then the Proceeds shall be paid to You or to Your estate.

**General**

A transfer of ownership will not of itself change the interest of any payee. So far as permitted by law, no amount payable under this policy will be subject to the claims of creditors of any payee. A payee succeeding to an interest under a settlement option will continue to be paid under the terms of that option. The rights of a beneficiary under this policy are subordinate to the rights of any person to whom the policy has been assigned.

## **OWNERSHIP**

### **Rights of Ownership**

This policy belongs to You. The Owner is the Insured unless otherwise stated in the application or unless changed under the Transfer of Ownership provision. All rights granted by this policy may be exercised by You only during the Insured's lifetime and thereafter to the extent permitted by titled section Beneficiaries and titled section Settlement Options. All rights may be exercised by You without the consent of any revocable beneficiary. These rights, however, are subject to the written consent of any irrevocable beneficiary.

### **Transfer of Ownership**

You may transfer the Ownership of this policy on forms provided by Us. The written evidence of transfer in good form must be recorded by Us at Our Administrative Office. Once recorded, the transfer will then be effective as of the date it was signed. We may require the return of the policy for endorsement. The transfer is subject to any payment made or other action taken by Us before We received Your written request. You may also name a contingent Owner in the same manner. The contingent Owner will become the Owner if the named contingent Owner is living and You are still the Owner at the time of Your death.

### **Collateral Assignment**

You may also assign this policy as collateral security by notifying Us in writing. Unless otherwise specified by You, any assignment will be effective on the date the notice is signed by you, subject to any payments made or actions taken by Us prior to receipt of this notice. No assignment of this policy will be binding on us unless it is in writing and filed at our Administrative Office. Your rights and the rights of any beneficiary will be subject to the rights of any assignee. We assume no responsibility for the validity of any assignment. A collateral assignee is not an Owner. A collateral assignment is not a transfer of ownership. Ownership can be transferred only as set forth in the Transfer of Ownership provision.

## **PREMIUM PAYMENT AND REINSTATEMENT**

### **Grace Period**

A 31-day grace period will be allowed for payment of any premium after the first. The policy will remain in force during this period. If the Insured dies within the grace period, any overdue premium will be paid from the Proceeds of the policy. If the premium is not paid within the grace period, the policy will lapse as of the due date. Any payments sent by U.S. mail must be postmarked before the end of the grace period.

### **Nonparticipation**

This policy does not share in Our earnings. No dividends are payable.

### **Premium**

All premiums after the first are payable at Our Administrative Office. All premiums are payable in United States currency. A premium must be paid on or before its due date. We will provide a premium receipt upon request if required by the laws of the state in which this policy is delivered. The annual premiums for this policy are shown on Page 3b. Premiums may be paid monthly, quarterly, semi-annually, annually, bi-weekly. Our modal factors are shown on Page 3a. The mode of payment may be changed at any Policy Anniversary by written agreement.

### **Premium Refund**

We will refund, as part of the Proceeds, the portion of the premium paid for a period beyond the policy month in which the Insured dies. There shall be no other premium refund except as required by law.

### **Reinstatement**

This policy lapses at the end of the grace period. It may be reinstated during the lifetime of the Insured and within five (5) years after the due date of the unpaid premium. Reinstatement is subject to:

- a. evidence of insurability satisfactory to Us; and
- b. payment of all overdue premiums; and
- c. interest on all overdue premiums from the due date of each premium. The interest is six percent (6%) per annum, compounded annually.

## SETTLEMENT & SETTLEMENT OPTIONS

### General Payment Terms

When the Insured dies while the policy is in force, Proceeds may be paid in a lump sum or left with Us for payment under a settlement option that We make available. The Proceeds will include any premium refund payable.

A settlement option may be elected only if the amount of the Proceeds is \$25,000 or more. We may change the interval of payments to three (3), six (6), or twelve (12) months, if necessary to increase the payments under the settlement option to at least \$250 each.

The annuity benefits at the time of their commencement will not be less than those that would be provided by the application of the Proceeds to purchase a single consideration immediate annuity contract at purchase rates offered by the Company at the time to the same class of annuitants.

You may make, change or revoke an election at any time while the Insured is alive. Following the death of the Insured, the beneficiary may elect an option if You have not elected one or if Proceeds are payable in one lump sum. A beneficiary may make a change in payment under a settlement option You elect only if You provided for it in Your election.

A change of beneficiary automatically cancels a previous election of a settlement option.

If this policy is assigned, the assignee's portion of Proceeds will be paid in one lump sum. Any balance of Proceeds may be applied under a settlement option.

To the extent allowed by law, all payments under the policy will be free from creditor claims or legal process.

### OPTIONS

An option cannot be chosen after the proceeds have been paid.

#### Option I – Payments of Interest Only

Interest at a rate of [1.5%] per year shall be paid either for the life of the payee or for a chosen period. We may pay more interest in any year. Upon the earlier of the death of the payee or the end of the chosen period, any remaining value will be paid. The first payment shall be made one month after the Effective Date. If the payee is not a human being, payments may not continue for more than thirty (30) years.

#### Option II – Payments for Stated Time

Equal Monthly payments shall be made for a stated number of years. The first payment shall be made on the Effective Date. The amount of each monthly payment is shown in the table. The monthly payments are based on an interest rate of [1.5%] per year. We may pay more interest in any year.

Option 2 Table			
Monthly Payments for Each \$1,000 of Proceeds			
Stated Number of Years	Monthly Payments	Stated Number of Years	Monthly Payments
5	17.28	18	5.27
6	14.51	19	5.03
7	12.53	20	4.81
8	11.04	21	4.62
9	9.89	22	4.44
10	8.96	23	4.28
11	8.21	24	4.13
12	7.58	25	3.99
13	7.05	26	3.86
14	6.59	27	3.75
15	6.20	28	3.64
16	5.85	29	3.54
17	5.55	30	3.44]

### Option III – Payments for Life

Equal monthly payments shall be made for any guaranteed period chosen and thereafter during the life of a chosen human being. The first payment shall be made on the Effective Date. The amount of each monthly payment depends on the age and sex of the chosen human being on the Effective Date and on any guaranteed period chosen. We may require proof to our satisfaction of such age. We may require like proof that such human being is alive on the date any payment is due. The guaranteed period may be 5, 10, 15, or 20 years or a Refund period. A refund period extends until the sum of the payments is equal to the proceeds placed under the option. The monthly payments are based on an interest rate of [1.5%] per year. We may pay more interest in any year during the guaranteed period. We will quote the amount of monthly payments for lower ages and guaranteed periods not shown in the Option III Table on request.

Option 3 Table						
Monthly Payments for Each \$1,000 of Proceeds						
(Amounts shown are for the age nearest birthday on the Option Effective Date)						
Guaranteed Period						
Age	Male			Female		
	None	10 Years	Refund	None	10 Years	Refund
[50	\$3.24	\$3.22	\$3.02	\$3.00	\$2.99	\$2.86
51	3.31	3.29	3.08	3.06	3.05	2.91
52	3.39	3.36	3.13	3.13	3.11	2.96
53	3.47	3.44	3.19	3.19	3.18	3.02
54	3.55	3.51	3.25	3.26	3.25	3.07
55	3.63	3.60	3.31	3.34	3.32	3.13
56	3.73	3.68	3.38	3.41	3.39	3.19
57	3.82	3.77	3.45	3.50	3.47	3.26
58	3.92	3.87	3.52	3.58	3.56	3.32
59	4.03	3.97	3.60	3.68	3.64	3.39
60	4.15	4.07	3.67	3.78	3.74	3.46
61	4.27	4.19	3.76	3.88	3.83	3.54
62	4.40	4.30	3.84	3.99	3.94	3.62
63	4.54	4.42	3.93	4.11	4.05	3.70
64	4.69	4.55	4.02	4.23	4.16	3.79
65	4.85	4.69	4.12	4.37	4.28	3.88
66	5.02	4.83	4.23	4.51	4.41	3.98
67	5.20	4.98	4.33	4.66	4.55	4.08
68	5.39	5.13	4.45	4.83	4.69	4.19
69	5.60	5.29	4.57	5.00	4.84	4.30
70	5.82	5.45	4.70	5.19	5.00	4.43
71	6.05	5.62	4.82	5.39	5.17	4.55
72	6.30	5.79	4.96	5.61	5.34	4.68
73	6.57	5.96	5.11	5.85	5.52	4.82
74	6.85	6.14	5.25	6.11	5.71	4.98
75	7.15	6.32	5.41	6.39	5.91	5.13
76	7.47	6.51	5.59	6.69	6.11	5.30
77	7.82	6.69	5.75	7.01	6.31	5.47
78	8.19	6.87	5.93	7.36	6.52	5.66
79	8.59	7.05	6.14	7.74	6.73	5.85
80	9.01	7.22	6.34	8.16	6.93	6.04
81	9.47	7.39	6.55	8.60	7.13	6.29
82	9.95	7.56	6.77	9.09	7.33	6.50
83	10.47	7.71	7.00	9.61	7.52	6.76
84	11.02	7.86	7.25	10.18	7.69	7.00
85+	11.61	8.00	7.52	10.79	7.86	7.26]



# Life Insurance Company of the Southwest (LSW) Application for Individual Life Insurance - Level Term

First _____ Middle _____ Last _____	Email: _____ Sex: _____
Street _____	Daytime Phone: _____ Occupation: _____
City _____ State _____ Zip Code _____	Driver's License #: _____ State: _____
	Height: _____ Weight: _____ Date of Birth: _____
	Social Sec. #: _____ State/Country of Birth: _____

**TERM OF LIFE INSURANCE:** 10 Year 15 Year 20 Year 30 Year **FACE AMOUNT:** \$ \_\_\_\_\_

## BENEFICIARIES

Name: _____	Relationship: _____	SSN: _____	Percentage: _____
Street: _____	City: _____	State: _____	Zip Code: _____
Name: _____	Relationship: _____	SSN: _____	Percentage: _____
Street: _____	City: _____	State: _____	Zip Code: _____

## CONTINGENT BENEFICIARY

Name: _____	Relationship: _____	SSN: _____	Percentage: _____
Street: _____	City: _____	State: _____	Zip Code: _____

## SELECT PAYMENT FREQUENCY

Monthly on the \_\_\_\_\_ day of the month  
Quarterly  
Annually  
Other: \_\_\_\_\_

## PAYMENT INSTRUCTIONS

Electronic Funds Transfer: Checking Savings  
Bank Name: \_\_\_\_\_ Account Holder: \_\_\_\_\_  
Account Number: \_\_\_\_\_ Routing Transit Number: \_\_\_\_\_  
Debit Card Other Method: \_\_\_\_\_  
Card Number: \_\_\_\_\_ Expiration Date: \_\_\_\_/\_\_\_\_

## GENERAL QUESTIONS

- |  |     |    |
|--|-----|----|
| 1. Are you a U.S. citizen or a permanent U.S. resident who holds a permanent visa?   | Yes | No |
| 2. In the past 12 months have you used any nicotine or tobacco products?   | Yes | No |
| 3. Have you been diagnosed as having AIDS (Acquired Immunodeficiency Syndrome) or tested positive for HIV (Human Immunodeficiency Virus)?                  | Yes | No |
| 4. Are you awaiting a diagnosis or been advised to have a surgical operation, a diagnostic test or an evaluation that has not yet been completed?          | Yes | No |
| 5. In the past 10 years, have you received any treatment, medical advice or consultation for; been diagnosed with; or had any known indications of:        | Yes | No |
| 5a Any disease of the heart, aorta, coronary arteries, peripheral vascular system or blood?  | Yes | No |
| 5b Crohn's disease, ulcerative colitis, or any disease of the liver, pancreas or kidney?   | Yes | No |
| If Yes, please choose the condition(s) from the list below:  |     |    |
| Crohn's disease or ulcerative colitis?   |     |    |
| Liver or Pancreas disease or disorder?   |     |    |
| Kidney stone or kidney infection fully recovered without continuing treatment or need for follow up?   |     |    |
| Other?   |     |    |
| 5c Cancer (other than basal cell or squamous cell carcinoma of the skin)?  | Yes | No |
| 5d Stroke or transient ischemic attack, Alzheimer's disease, dementia, degenerative muscle or nerve disease/ disorder, paralysis, or other brain disorder? | Yes | No |



<b>5e</b> Systemic lupus (SLE), rheumatoid arthritis, or other connective tissue disorder?	Yes	No
<b>5f</b> Alcohol or drug abuse?	Yes	No
If Yes how long since most recent treatment or last use of that substance? ____years.		
<b>5g</b> Emphysema, chronic bronchitis, COPD, asthma or other chronic lung disease?	Yes	No
If Yes please choose condition(s) from list below:		
Chronic bronchitis, emphysema or COPD		
Asthma? If Yes:		
Have you been hospitalized overnight for asthma in the past 24 months? Yes No		
Have you visited the emergency room or an urgent care center in the past 24 months related to asthma? Yes No		
Have you taken corticosteroid pills (such as Prednisone) or corticosteroid injections in the past 24 months for asthma? Yes No		
Other chronic lung condition?		
<b>5h</b> Bipolar disease, schizophrenia, depression or mood disorder other than anxiety?	Yes	No
If Yes please answer the following:		
Bipolar disease, schizophrenia or mood disorder other than depression or anxiety? Yes No		
Have you been hospitalized in the past 5 years for depression? Yes No		
If you have depression how many different medications do you take? ____		
<b>5i</b> Diabetes	Yes	No
If Yes please answer the following:		
Do you use insulin injections? Yes No		
Have you had protein (albumin) in your urine or had laser therapy on an eye or had skin ulcerations or peripheral neuropathy involving your legs or feet? Yes No		
<b>6.</b> In the past 3 years, has your driver's license been suspended or revoked, or have you been convicted of or pleaded "guilty" or "no contest" to any felony, DWI/DUI, or are you in prison or serving a probation/parole program?	Yes	No
<b>7.</b> In the past year, have you participated in racing motorized vehicles, hang gliding, cave exploring or mountain climbing using protection such as ropes or climbing harness?	Yes	No
<b>8.</b> In the past year, have you piloted an aircraft other than as a scheduled commercial pilot or co-pilot?	Yes	No
<b>9.</b> In the past 3 years, have you been treated by a physician or medical practitioner or been treated in a hospital for a medical condition?	Yes	No
If Yes was your admission due to:		
Child birth? Yes No		
Musculoskeletal (orthopedic) condition or injury? Yes No		
Other? Yes No		
<b>10.</b> In the past 5 years have you had life insurance declined or been charged an increased/ extra premium?	Yes	No
<b>11.</b> Are you currently receiving disability assistance or Social Security disability payments?	Yes	No
<b>12.</b> Are you currently an active member of the U.S. military with orders to deploy?	Yes	No
<b>13.</b> Do you currently have any in force life insurance or annuity contracts?	Yes	No
If Yes will the policy applied for replace or change an existing life insurance or annuity contract? Yes No		



## AGREEMENT & AUTHORIZATION

I (We) understand and agree that all answers given above and in any medical exam are to the best of my (our) knowledge and belief complete and true. All such answers and this application shall be part of any contract issued. I (we) have read the IMPORTANT NOTICES, including the notices required by the Fair Credit Reporting Act and MIB, Inc. To the extent allowed by law, I (we) waive all rights governing disclosure of medical exams or treatment. I (we) authorize any medical practitioner or facility, insurer, MIB Inc. and any other organization or person that has any records or knowledge of me or my (our) health to give such information to LSW or its reinsurers. I (we) understand and agree that any such information may be reported to MIB Inc. This authorization is valid for 30 months from the date signed and a photocopy shall be as valid as the original. I (we) also certify, under the penalties of perjury, that the Social Security Number of the Proposed Insured is correct.

### SIGNATURE(S)

\_\_\_\_\_  
Proposed Insured

\_\_\_\_\_  
Owner (if other than Insured)

\_\_\_\_\_  
Agent (if any)

\_\_\_\_\_  
Date

Signed at \_\_\_\_\_ (City, State)

ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

The Agent (if applicable) taking this application has no authority to make, change or discharge any contract hereby applied for. The Agent may not extend credit on behalf of LSW. No statement made to or information acquired by any representative of LSW shall bind LSW unless set out in writing in this application.

Insurance Information Practices: LSW must collect certain amounts of necessary and helpful personal information in order to properly underwrite and administer your insurance coverage. The amount and type of information collected may vary depending on the amount and type of insurance for which you have applied. LSW information practices provide that:

1. Personal information may be collected from sources other than yourself;
2. Such information as well as other personal or privileged information subsequently collected by LSW or LSW's agent, may, in certain circumstances be disclosed to third parties without your authorization; and
3. You have a right of access and correction with respect to all personal information collected.

Investigative Consumer Report Notice: In compliance with the Fair Credit Reporting Act (FCRA), this is to notify you that as part of LSW underwriting process an investigative consumer report may be obtained through personal interviews with neighbors, friends, associates or others concerning your character, general reputation, personal characteristics and mode of living. You have the right to be personally interviewed if LSW orders an investigative consumer report. Please notify us if this is your wish. You may contact LSW's Administrative Office (PO Box 44185, Jacksonville, FL 32231-4185) for additional information regarding the nature and scope of this inquiry and a summary of your rights under FCRA. On written request, LSW will inform you whether a report was requested and provide additional information. LSW may telephone you directly to obtain the information described above. LSW or its service provider may ask you to review and clarify information provided on the application or may ask additional questions. Whenever possible, calls will be made at your convenience and to the telephone number you provided.

MIB Inc. Notice: Information regarding your insurability will be treated as confidential. LSW or its reinsurers may, however, make a brief report thereon to MIB, Inc. ("MIB"), a non-profit membership organization of life insurance companies which operates an information exchange on behalf of its members. If you apply to another insurance company, MIB, on request, will supply such company with the information in its file. On receipt of a request from you, MIB will arrange disclosure of any information it may have in your file. (Medical information will be released only to your attending physician.) If you question the accuracy of information in MIB's file, you may contact MIB and make a correction in accordance with procedures set forth in the Fair Credit Reporting Act. The address of MIB information office is 50 Braintree Hill, Suite 400, Braintree, MA 02184-8734, telephone number (866) 692-6901, website: [www.mib.com](http://www.mib.com).

LSW may release information in its files to other life insurance companies to whom you may apply for life or health insurance, or to whom a claim for benefits may be submitted.

If you would like to obtain a more detailed explanation of LSW's information practices, including your rights of access to and correction of personal information, please contact LSW's Administrative Office.





National Life  
Group®

**Life Insurance Company of the Southwest (LSW)**  
**Application for Individual Life Insurance - Level Term: Addendum**

**ADDITIONAL BENEFICIARIES**

Name:	Relationship:	SSN:	Percentage:
Street:	City:	State:	Zip Code:
Name:	Relationship:	SSN:	Percentage:
Street:	City:	State:	Zip Code:

**ADDITIONAL CONTINGENT BENEFICIARY**

Name:	Relationship:	SSN:	Percentage:
Street:	City:	State:	Zip Code:

**OWNER INFORMATION (IF DIFFERENT FROM INSURED)**

First	Middle	Last	Email:	
Street			Daytime Phone:	
City			Social Sec. #:	
State			Relationship to Insured:	
Zip Code				

**SIGNATURE(S)**

Proposed Insured \_\_\_\_\_ Owner (if other than Insured) \_\_\_\_\_ Agent (if any) \_\_\_\_\_

Date \_\_\_\_\_ Signed at \_\_\_\_\_ (City, State)





# Life Insurance Company of the Southwest

## Application for Election of Accelerated Benefits (Terminal Illness)

### Personal Data

Policy Number(s):

Insured:

Owner:

Address: (Street, City, State, Zip Code)

Address: (Street, City, State, Zip Code)

Telephone No.:

Telephone No.:

Date of Birth (mm/dd/yyyy)

Social Security or Taxpayer Identification No.:

### Election Request

Total Face Amount \$

I request Full Election

### Qualifying Condition

Terminal Illness: The Insured is terminally ill as defined in the Policy

Meaning the Insured under the policy has been certified by a Physician as having an illness which can reasonably be expected to result in death in 12 months or less from the date of certification.

### Attending Physicians

Name:

Name:

Address: (Street, City, State, Zip Code)

Address: (Street, City, State, Zip Code)

Telephone No.:

Telephone No.:

Date: (list to-from)

Date: (list to-from)

List names of all attending physicians, their addresses and dates of treatment. Attach additional sheet if necessary

The above statements are true to the best of my knowledge and belief. Verification will be furnished upon request.

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Owner's signature:

Date: (mm/dd/yyyy)

I, as Collateral Assignee or Irrevocable Beneficiary of the policy or policies designated above, consent to the acceleration of the Face Amount as applied for. I understand that the resulting Accelerated Benefit Amount will be payable to the Owner and will eliminate the death benefits available upon the death of the Insured.

Signature of Assignees(s):

Date: (mm/dd/yyyy)

Signature of Irrevocable Beneficiary(ies):

Date: (mm/dd/yyyy)

**Payment of Accelerated Benefits will reduce the Death Benefit otherwise payable under the policy to zero. Receipt of Accelerated Benefits may be a taxable event. Please consult your personal tax advisor to determine the tax status of any benefits paid under this policy.**

[Life Insurance Company of the Southwest -Home Office: Addison, TX  
Administrative Office: PO Box 44185, Jacksonville, FL 32231-4185, Customer Service: Phone: 888-423-4204]



Accelerated Benefit  
(Terminal Illness)

An Accelerated Benefit under this policy is a single lump sum payment made to the Owner while the Insured is living in lieu of payment of the death benefit that would otherwise be paid following the Insured's death. The Owner must apply for the Accelerated Benefit payment and must show the required proof stated in the policy under the Accelerated Benefit section. We will not accelerate the benefit unless the qualifying Terminal Illness began while the policy was in effect.

Prior to or concurrent with the election to accelerate the policy death benefit, the owner and any irrevocable beneficiary will be given a statement demonstrating the effect of the acceleration of the payment of the death benefit on the death benefit and premiums of the policy.

**Accelerated Benefit for Terminal Illness**

A benefit may be elected under the policy if the Insured is Terminally Ill. Terminally Ill means that the Insured has been certified by a Physician as having an illness which can reasonably be expected to result in death in 12 months or less from the date of the certification.

The Owner may elect to accelerate all of the Insured death benefit in force on the election date. No partial death benefit is allowed under this policy. The Accelerated Benefit is paid as a lump sum. The amount paid is calculated as the present value of the full death benefit, less an adjustment for future premiums that would have otherwise been paid, and less an administrative fee of \$250. The actual Amount will be determined as of the election date. The following factors will be used in the determination of the Amount: future premiums payable under the policy; future expected lifetime of the Insured; the administrative fee assessed; and the Accelerated Benefits Interest Rate in effect at the time of the election. The policy terminates on the date the accelerated benefit is elected, and no additional premiums will be required.

**Payment of the Accelerated Benefit will reduce the Death Benefit otherwise payable under the policy to zero. Receipt of the Accelerated Benefit may affect eligibility for Medicaid or other government benefits or entitlements and may have income tax consequences. Please consult your personal tax advisor to determine the tax status of any benefits paid under this policy.**

Signed at: (City & State)\_\_\_\_\_ Date: (mm/dd/yyyy)\_\_\_\_\_

Licensed Agent: (Sign Name in full)\_\_\_\_\_

Applicant/Owner: (Sign Name in full)\_\_\_\_\_

Copies to the Company, the Customer, and the Agent

[Life Insurance Company of the Southwest -Home Office: Addison, TX

Administrative Office: PO Box 44185, Jacksonville, FL 32231-4185, Customer Service: Phone: 888-423-4204

National Life Group® is a trade name representing various affiliates that offer a variety of financial service products. Life Insurance Company of the Southwest is solely responsible for its liabilities.]

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LIMITATIONS AND EXCLUSIONS UNDER THE ARKANSAS LIFE AND HEALTH INSURANCE  
GUARANTY ASSOCIATION ACT

Residents of this state who purchase life insurance, annuities or health and accident insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association"). The purpose of the Guaranty Association is to assure that policy and contract owners will be protected, within certain limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of policy owners who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by the member insurers through the Guaranty Association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting insurance companies that are well managed and financially stable.

DISCLAIMER

The Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association") may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions and require continued residency in this state. You should not rely on coverage by the Guaranty Association in purchasing an insurance policy or contract.

Coverage is NOT provided for your policy or contract or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.

Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

The Arkansas Life and Health Insurance Guaranty Association  
c/o The Liquidation Division  
1023 West Capitol  
Little Rock, Arkansas 72201

Arkansas Insurance Department  
1200 West Third Street  
Little Rock, Arkansas 72201-1904

The state law that provides for this safety-net is called the Arkansas Life and Health Insurance Guaranty Association Act ("Act"). Below is a brief summary of the Act's coverages, exclusions and limits. This summary does not cover all provisions of the Act; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Guaranty Association.

## COVERAGE

Generally, individuals will be protected by the Guaranty Association if they live in this state and hold a life, annuity or health insurance contract or policy, or if they are insured under a group insurance contract issued by a member insurer. The beneficiaries, payees or assignees of policy or contract owners are protected as well, even if they live in another state.

## EXCLUSIONS FROM COVERAGE

- However, persons owning such policies are NOT protected by the Guaranty Association if:
- They are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insured who live outside that state);
- The insurer was not authorized to do business in this state;
- Their policy or contract was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to future assessments or by an insurance exchange.

The Guaranty Association also does NOT provide coverage for:

- Any policy or contract or portion thereof which is not guaranteed by the insurer or for which the owner has assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract;
- Any policy of reinsurance (unless an assumption certificate was issued);
- Interest rate yields that exceed an average rate;
- Dividends and voting rights and experience rating credits;
- Credits given in connection with the administration of a policy by a group contract holder;
- Employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- Unallocated annuity contracts (which give rights to group contract holders, not individuals);
- Unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation ("FPBC") (whether the FPBC is yet liable or not);
- Portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- Portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- Obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- Contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliated benefit plan or its trustees).

## LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Guaranty Association is obligated to cover: The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 – no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 in limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or net cash surrender values - again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages. There is a \$1,000,000 limit with respect to any contract holder for unallocated annuity benefits, irrespective of the number of contracts held by the contract holder. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer.



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NOTICE OF THE ARKANSAS LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION ACT

The Arkansas Life and Health Insurance Guaranty Association Act (the "Act") provides protection, subject to certain limitations and exclusions, against loss under life and health insurance policies and annuity contracts issued by insolvent insurers licensed in this state. Some limitations and exclusions apply; some are listed below.

This notice is provided to you only to make you aware of the existence of the limited protection under the Act. It confers no rights to any policyholder or contract holder not provided under the Act. It does not change or vary any exclusion or limitation contained in the Act. Specific reference must be made to the Act to determine whether any particular policy or contract is covered, the amount of any coverage which may be available, and applicable limitations or exclusions.

Some of the limitations and exclusions are as follows:

1. The Act limits the amount the Guaranty Association is obligated to pay: The Association cannot pay more than what the insurer would owe under a policy or contract. Also, for any one insured, the Guaranty Association will pay a maximum of \$300,000 no matter how many policies or contracts you have with the same insurer even if they provide different coverages. Within this overall \$300,000 limit, the Association will pay a maximum of \$300,000 in net cash surrender values, \$300,000 in life insurance death benefits, \$300,000 in present value of annuities, and \$300,000 in disability or health insurance benefits. There is a \$1,000,000 limit with respect to any one contract holder for unallocated annuity benefits irrespective of the number of participants in the plan.

2. You are not covered:

- a. If you are not a resident of Arkansas at the time the order of the insurer's insolvency was issued.
- b. Your insurer was not licensed in this state; or
- c. Your insurer was a self-insured plan, trust or other similar entity, health maintenance organization or other entity excluded under the Act.

3. Obligations not specifically provided in the policy or contract are not covered by the Act. Examples of obligations, which are not covered by the Act, include damages or loss due to misrepresentations of policy benefits, inaccurate solicitation material, unfiled policy documents or endorsement, and extra-contractual damages, penalties and similar damages or claims.

4. Dividends or interest rate yields that do not meet specifications described in the Act are not covered under the Act.

**You should not rely upon coverage under the Act when buying a life or health insurance policy or selecting an insurer, and neither agents nor insurers should use the existence of the Guaranty Association to induce you to purchase a product from them.**

For more information relative to the Act, you may contact:

The Arkansas Life and Health Insurance Guaranty Association  
c/o The Liquidation Division  
1023 West Capitol  
Little Rock, Arkansas 72201

Arkansas Insurance Department  
1200 West Third Street  
Little Rock, Arkansas 72201-1904



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POLICY HOLDER NOTICE

Policyholder Service Office of Company: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Name of Agent: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

If we at Life Insurance Company of the Southwest fail to provide you with reasonable and adequate service, you should feel free to contact:

Arkansas Insurance Department  
Consumer Services Division  
400 University Tower Building  
Little Rock, Arkansas 72204  
(501) 371-1811

<i>SERFF Tracking Number:</i>	<i>YTYC-128263158</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Life Insurance Company of the Southwest</i>	<i>State Tracking Number:</i>	
<i>Company Tracking Number:</i>	<i>LSW-SILT-AR</i>		
<i>TOI:</i>	<i>L04I Individual Life - Term</i>	<i>Sub-TOI:</i>	<i>L04I.103 Renewable - Single Life - Fixed/Indeterminate Premium</i>
<i>Product Name:</i>	<i>Single Interest Level Term Life Insurance</i>		
<i>Project Name/Number:</i>	<i>LSW-NLG /SILT0312</i>		

## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b>	Flesch Certification	
<b>Comments:</b>		
<b>Attachment:</b>		
LSW SILT Certifications-AR.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Bypassed - Item:</b>	Application	
<b>Bypass Reason:</b>	Application is attached to Form Schedule	
<b>Comments:</b>		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b>	Life & Annuity - Actuarial Memo	
<b>Comments:</b>		
<b>Attachments:</b>		
Actuarial Memo - 10T.pdf		
Actuarial Memo - 15T.pdf		
Actuarial Memo - 20T.pdf		
Actuarial Memo - 30T.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b>	Third Party Filing Authorizations	
<b>Comments:</b>		
<b>Attachment:</b>		
Authorization Letters.pdf		

	<b>Item Status:</b>	<b>Status</b>
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SERFF Tracking Number: YTYC-128263158 State: Arkansas  
Filing Company: Life Insurance Company of the Southwest State Tracking Number:  
Company Tracking Number: LSW-SILT-AR  
TOI: L04I Individual Life - Term Sub-TOI: L04I.103 Renewable - Single Life -  
Fixed/Indeterminate Premium  
Product Name: Single Interest Level Term Life Insurance  
Project Name/Number: LSW-NLG /SILT0312

Date:

**Satisfied - Item:** Reflexive and Drop Down  
Questions in the Electronic  
Application and Addendum

**Comments:**

**Attachment:**

OnLineApplicationScript.pdf

**Item Status:**

**Status**

**Date:**

**Satisfied - Item:** Statement of Variability

**Comments:**

**Attachment:**

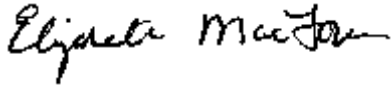
LSW SILT Statementof Variability.pdf

LIFE INSURANCE COMPANY OF THE SOUTHWEST

CERTIFICATIONS

I hereby certify that the accompanying life product is in compliance with Rule 19.

Here by certified on this 4th day of May, 2012.



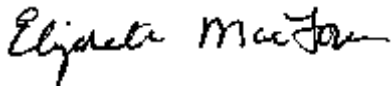
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Elizabeth MacGowan  
Designated Representative

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I hereby certify that the accompanying life product is in compliance with Regulation 49 in that a life and Health Guaranty Association notice will be given to each policy owner at the time of issue.

Here by certified on this 4th day of May, 2012.



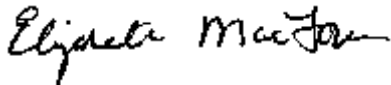
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Elizabeth MacGowan  
Designated Representative

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I hereby certify that the accompanying life product is in compliance with Arkansas Insurance Code 23-79-138.

Here by certified on this 4th day of May, 2012.



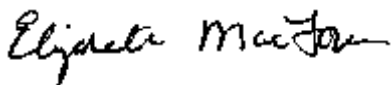
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Elizabeth MacGowan  
Designated Representative

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I certify that, to the best of my knowledge and belief, forms SILT(0312), 20112AR(0312) & 20113(0312) meet the minimum standards and Flesch score of 40 required by Arkansas Insurance Code §23-80-206.

Here by certified on this 4th day of May, 2012.



---

Elizabeth MacGowan  
Designated Representative



*Wade H. Mayo*

February 28, 2012

To Whom It May Concern:

This letter is to authorize **Year to Year Consulting, L.L.C.**, Foristell, Missouri, as a **Designated Representative** of Life Insurance Company of the Southwest ("LSW") to submit product filings on their behalf.

All questions and comments regarding this filing should first be addressed to Year to Year Consulting, L.L.C. I stand ready; however, to answer for LSW directly should that need arise.

Year to Year Consulting, L.L.C., may be contacted at:

Year to Year Consulting, L.L.C  
1580 N Point Prairie Rd  
Foristell, Missouri 63348  
Phone: 636-639-1880  
Fax: 636-639-1233

LSW thanks you for your consideration in this matter.

Sincerely,

Wade H. Mayo  
President & Chief Executive Officer  
Life Insurance Company of the Southwest

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National Life Group (NLGroup) is a trade name of National Life Insurance Company, Montpelier, VT, Life Insurance Company of the Southwest (LSW), Addison, TX and their affiliates. Each company of NLGroup is solely responsible for its own financial condition and contractual obligations. LSW is not an authorized insurer in New York and does not conduct insurance business in New York.

www.NationalLifeGroup.com  
Centralized Mailing Address: One National Life Drive, Montpelier, Vermont 05604

Experience Life®



*Wade H. Mayo*

February 28, 2012

To Whom It May Concern:

This letter is to authorize **W Michael Reese**, Associate Actuary, of Hause Actuarial Solutions, Overland Park, Kansas, as a **Designated Representative** of Life Insurance Company of the Southwest ("LSW") to submit product filings on their behalf.

All questions and comments regarding this filing should first be addressed to Mr. Reese. I stand ready; however, to answer for LSW directly should that need arise.

Mr. Reese may be contacted at:

Hause Actuarial Solutions  
7201 W. 129<sup>th</sup> St., Suite 310  
Overland Park, KS 66213  
Phone: 913-685-2200  
Fax: 913-685-2205  
Email: miker@hauseactuarial.com

LSW thanks you for your consideration in this matter.

Sincerely,

Wade H. Mayo  
President & Chief Executive Officer  
Life Insurance Company of the Southwest

## **Reflexive and Drop Down Questions in the Electronic Application and Addendum**

### Application General Questions:

1. Are you a U.S. citizen or a permanent U.S. resident who holds a permanent visa?
2. In the past 12 months have you used any nicotine or tobacco products?
3. Have you been diagnosed as having AIDS (Acquired Immunodeficiency Syndrome) or tested positive for HIV (Human Immunodeficiency Virus)?
4. Are you awaiting a diagnosis or been advised to have a surgical operation, a diagnostic test or an evaluation that has not yet been completed?
5. In the past 10 years, have you received any treatment, medical advice or consultation for; been diagnosed with; or had any known indications of:
  - a. Any disease of the heart, aorta, coronary arteries, peripheral vascular system or blood?
  - b. Crohn's disease, ulcerative colitis, or any disease of the liver, pancreas or kidney? – [if Yes, reflex to questions as follow:]  
Please choose condition(s) from list below:
    1. Crohn's disease or ulcerative colitis?
    2. Liver or Pancreas disease or disorder?
    3. Kidney stone or kidney infection fully recovered without continuing treatment or need for follow up?
    4. Other?
  - c. Cancer (other than basal cell or squamous cell carcinoma of the skin)?
  - d. Stroke or transient ischemic attack, Alzheimer's disease, dementia, degenerative muscle or nerve disease/ disorder, paralysis, or other brain disorder?
  - e. Systemic lupus (SLE), rheumatoid arthritis, or other connective tissue disorder?
  - f. Alcohol or drug abuse? [if Yes, reflex to questions as follow:]  
How long since most recent treatment or last use of that substance?  
[Drop down choices: 0-5 years, 6-10 years, Greater than 10 years]
  - g. Emphysema, chronic bronchitis, COPD, asthma or other chronic lung disease?  
[if Yes, reflex to questions as follow:]
    1. Chronic bronchitis, emphysema or COPD;
    2. Asthma? [if Yes, reflex to questions as follow:]
      - a. Have you been hospitalized overnight for asthma in the past 24 months?
      - b. Have you visited the emergency room or an urgent care center in the past 24 months related to asthma?
      - c. Have you taken corticosteroid pills (such as Prednisone) or corticosteroid injections in the past 24 months for asthma?
    3. Other chronic lung condition?

- h. Bipolar disease, schizophrenia or mood disorder other than depression or anxiety? [if Yes, reflex to questions as follow:]
1. Bipolar disease, mood disorder other than depression or anxiety, or schizophrenia?
  2. Depression [if Yes, reflex to questions as follows:]
    - Have you been hospitalized in the past 5 years for depression?
    - How many different medications do you take for depression?  
[Drop down choices: 0, 1, 2, 3 or more]
- i. Diabetes? [if Yes, reflex to questions as follows:]
1. Do you use insulin injections?
  2. Have you had protein (albumin) in your urine or had laser therapy on an eye or had skin ulcerations or peripheral neuropathy involving your legs or feet?
6. In the past 3 years, has your driver's license been suspended or revoked, or have you been convicted of or pleaded "guilty" or "no contest" to any felony, DWI/DUI, or are you in prison or serving a probation/parole program?;
7. In the past year, have you participated in racing motorized vehicles, hang gliding, cave exploring or mountain climbing using protection such as ropes or climbing harness?
8. In the past year, have you piloted an aircraft other than as a scheduled commercial pilot or co-pilot?
9. In the past 3 years, have you been admitted to a hospital for a medical condition other than previously admitted to in the above questions? [if Yes, reflex to questions as follow:]
- Was your admission due to:
- a. Child birth?
  - b. Musculoskeletal (orthopedic) condition or injury?
  - c. Other?
10. In the past 5 years have you had life insurance declined or been charged an increased/extra premium?;
11. Are you currently receiving disability assistance or social security disability payments?
12. Are you currently an active member of the US military with orders to deploy?
13. Do you currently have any in force life insurance or annuity contracts? [Yes= reflex to question as follows:]
- a. Will the policy applied for replace or change any existing life insurance or annuity contract?

Addendum:

Owner Information (if different from Insured)

Relationship to Insured: [Drop down choices: Spouse, Fiancé, Domestic Partner, Parent, Grandparent, Other]

# **LIFE INSURANCE COMPANY OF THE SOUTHWEST**

## **STATEMENT OF VARIABILITY**

### **LEVEL TERM LIFE INSURANCE POLICY WITH ACCELERATED DEATH BENEFITS Annually Renewable / Nonparticipating**

**Form Numbers: SILT(0312), 20112AR(0312), 20113(0312)**

The policy Cover and Specification Data Pages and within the policy contain brackets, used to designate variable items that may be unique for each policyholder or issue of the submitted policy. Descriptions of the bracketed items follow:

**CHAIRMAN OF THE BOARD, PRESIDENT, AND SECRETARY:** These are subject to variability only upon a change of officer status.

**STATE INSURANCE DEPARTMENT AND PHONE NUMBER:** Subject to variability only upon changes to state information.

**INSURANCE COMPANY ADDRESS AND PHONE NUMBER:** Subject only to changes in administrative office and customer service phone number.

**POLICY NUMBER:** This 11-digit number is the unique policy number by which the company distinguishes each policy issued on this form. This number appears on the Specification Data Pages.

**INSURED:** This is the Insured's Name and will be unique to each Insured. This appears on the Specification Data Pages.

**AGE AT ISSUE:** This is the issue age of the Insured and appears on the Specification Data Pages. The issue ages for this policy are 20-60 (20-50 for the 30 year option).

**SEX:** Only options are Male or Female

**RATE CLASS:** This may take the variable of "PREFERRED NON-TOBACCO", "SELECT NON-TOBACCO", "PREFERRED TOBACCO", AND "SELECT TOBACCO".

**LEVEL PREMIUM PERIOD:** This variable will use a 10 years, 15 years, 20 years or 30 years and is unique to each policy.

**POLICY DATE:** This provides the effective date of the policy and appears on the Specification Data Page.

**DATE OF ISSUE:** This will be unique to the policy issued.

**DATE OF EXPIRY:** This will be unique to the policy issued.

**FACE AMOUNT:** This amount will be unique to the policy based on each individual situation and appears on the Specification Data Pages.

**ANNUAL PREMIUM:** This amount is subject to the LEVEL PREMIUM PERIOD.

**PAYABLE FOR:** This is subject to the LEVEL PREMIUM PERIOD selected and can be 10, 15, 20 and 30 years.

**PREMIUM INTERVAL:** This denotes the number of premiums payable each year, as requested by the applicant in establishing his or her planned periodic premium and premium interval and can take the variables of "ANNUALLY", "SEMI-ANNUALLY", "QUARTERLY", "MONTHLY" OR "BIWEEKLY". "SEMI-MONTHLY" may be offered in the future.

**MODAL PREMIUM FACTORS:** Annual-1.000, Semi-Annual-.530, Quarterly-.270, Monthly-.091, Bi-weekly-.042. Semi-Monthly-.0455 may be added in the future.

**YEARLY COST TABLE:** This table compares premiums at different modal options and shows how the total yearly modal premiums compare to the annual mode. The Semi-Monthly option may be added in the future.

**OPTION II – PAYMENTS FOR STATED TIME:** The interest rate will be no more than 4% or less than 1.5%. If the interest rate changes, factors in the table would also change to reflect the new interest rate.

**OPTION III – PAYMENTS FOR LIFE:** The interest rate will be no more than 4% or less than 1.5%. If the interest rate changes, factors in the table would also change to reflect the new interest rate.

SERFF Tracking Number: YTYC-128263158 State: Arkansas

Filing Company: Life Insurance Company of the Southwest State Tracking Number:

Company Tracking Number: LSW-SILT-AR

TOI: L04I Individual Life - Term Sub-TOI: L04I.103 Renewable - Single Life - Fixed/Indeterminate Premium

Product Name: Single Interest Level Term Life Insurance

Project Name/Number: LSW-NLG /SILT0312

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
05/04/2012	Form	Level Term Life Insurance Policy	05/10/2012	SILT Policy Form.pdf (Superseded)
05/04/2012	Form	Limitations and Exclusions Under the Arkansas Life and Helath Insurance Guaranty Association Act	05/07/2012	SILT-20116AR(0312) ARLHIGAA.pdf (Superseded)



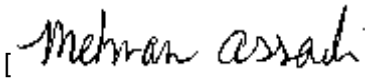
## LIFE INSURANCE COMPANY OF THE SOUTHWEST™

**Right To Examine Your Policy – Within ten (10) days or within thirty (30) days if a replacement policy, after You receive this policy, You may have it cancelled by returning it to Us at our Administrative Office. The return of this policy will void it from the beginning and We will refund all premiums paid including any fees or charges.**

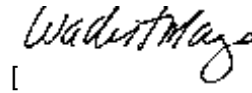
**Life Insurance Company of the Southwest™** promises to pay the Proceeds as shown on Page 3a to the beneficiary upon receipt at Administrative Office of due proof of death of the Insured, subject to the terms and conditions of this policy. All benefits will be payable subject to the policy provisions.

The first premium is payable on or before delivery of this policy. Further premiums are due after the Policy Date pursuant to the provisions of this policy.

This policy is a legal contract between the Owner ("You", or "Your") and Life Insurance Company of the Southwest ("We", "Us", "Our", and "Company"). READ THIS POLICY CAREFULLY.



Chairman of the Board]



President]



Secretary]

LEVEL TERM LIFE INSURANCE POLICY  
WITH ACCELERATED DEATH BENEFITS  
Annually Renewable / Nonparticipating  
Premium Payable to Date of Expiry  
Insurance Payable at Death Prior to Date of Expiry

[Arkansas Insurance Department (800-852-5494)]

[Life Insurance Company of the Southwest -Home Office: Addison, TX  
Administrative Office: PO Box 44185, Jacksonville, FL 32231-4185  
Customer Service: Phone: 888-423-4204

National Life Group® is a trade name representing various affiliates that offer a variety of financial service products.  
Life Insurance Company of the Southwest is solely responsible for its liabilities.]

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# SPECIFICATION DATA

POLICY NUMBER	[LSW-12345678]	POLICY DATE	[April 1, 2012]
INSURED	[John Doe]	DATE OF ISSUE	[April 1, 2012]
AGE AT ISSUE	[35]	DATE OF EXPIRY	[April 1, 2072]
SEX	[Male]		
PLAN	Term to attained age 95 Life Insurance		
RATE CLASS	[Standard Non-Tobacco]		
LEVEL PREMIUM PERIOD	[10 Years]		

## SCHEDULE OF BENEFITS

<u>Benefit Description</u>	<u>Face Amount</u>	<u>Annual Premium*</u>	<u>Payable For</u>
Level Term Life Insurance with Accelerated Death Benefit	[\$100,000.00]	[\$286.00]	[10 years]

\*Premiums for all Policy Years are shown on the following policy specification page. The annual premium for the Term Life Insurance includes a \$75.00 annual policy fee.

Premiums may be paid [annually, semi-annually, quarterly, monthly, or bi-weekly] by check or any other method we make available at the time the premium is paid or at any mode agreed upon by Us. The mode of payment may be changed at any Policy Anniversary by written agreement. The Modal premium will be determined by multiplying the annual premium by the following factors:

[Annual 1.000	Semi-Annual .530	Quarterly .270	Monthly .091	Bi-weekly .042]
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Your yearly cost will be higher if you choose to pay premiums more frequently than annually. For example, the additional amount you will pay is as follows:

<u>Premium Frequency</u>	<u>Number of payments per year</u>	<u>Modal premium factor</u>	<u>Amount of each premium payment</u>	<u>Total premium per year</u>	<u>Amount you will pay each year in addition to the annual premium</u>
[Annual	1	1.000	\$286.00	\$286.00	\$0.00
Semi-Annual	2	0.530	\$151.58	\$303.16	\$17.16
Quarterly	4	0.270	\$77.22	\$308.88	\$22.88
Monthly	12	0.091	\$26.03	\$312.36	\$26.36
Bi-Weekly	26	0.042	\$12.01	\$312.26	\$26.26]

# SPECIFICATION DATA

POLICY NUMBER [LSW-12345678]

INSURED [John Doe]

## ANNUAL PREMIUM SCHEDULE

POLICY YEAR	*TERM LIFE INSURANCE POLICY PREMIUMS	POLICY YEAR	*TERM LIFE INSURANCE POLICY PREMIUMS
[01	\$286.00	31	\$6,567.00
02	\$286.00	32	\$7,187.00
03	\$286.00	33	\$7,835.00
04	\$286.00	34	\$8,519.00
05	\$286.00	35	\$9,287.00
06	\$286.00	36	\$10,183.00
07	\$286.00	37	\$11,271.00
08	\$286.00	38	\$12,543.00
09	\$286.00	39	\$13,883.00
10	\$286.00	40	\$15,323.00
11	\$1,051.00	41	\$16,891.00
12	\$1,143.00	42	\$18,659.00
13	\$1,219.00	43	\$20,715.00
14	\$1,279.00	44	\$23,103.00
15	\$1,355.00	45	\$25,779.00
16	\$1,455.00	46	\$28,763.00
17	\$1,583.00	47	\$32,007.00
18	\$1,739.00	48	\$35,443.00
19	\$1,919.00	49	\$39,195.00
20	\$2,147.00	50	\$43,367.00
21	\$2,403.00	51	\$48,007.00
22	\$2,667.00	52	\$53,111.00
23	\$2,923.00	53	\$58,627.00
24	\$3,179.00	54	\$64,491.00
25	\$3,479.00	55	\$70,643.00
26	\$3,843.00	56	\$76,771.00
27	\$4,287.00	57	\$82,803.00
28	\$4,803.00	58	\$89,123.00
29	\$5,367.00	59	\$95,787.00
30	\$5,955.00	60	\$96,229.00]

\*The Annual Premium for the Term Life Insurance Policy includes a \$75.00 annual policy fee.  
Refer to Page 3a for information regarding modal Premium Payment Options and Modal Factors.

# SPECIFICATION DATA

POLICY NUMBER	[LSW-12345678]	POLICY DATE	[April 1, 2012]
INSURED	[John Doe]	DATE OF ISSUE	[April 1, 2012]
AGE AT ISSUE	[35]	DATE OF EXPIRY	[April 1, 2072]
SEX	[Male]		
PLAN	Term to attained age 95 Life Insurance		
RATE CLASS	[Standard Non-Tobacco]		
LEVEL PREMIUM PERIOD	[15 Years]		

## SCHEDULE OF BENEFITS

<u>Benefit Description</u>	<u>Face Amount</u>	<u>Annual Premium*</u>	<u>Payable For</u>
Level Term Life Insurance with Accelerated Death Benefit	[\$100,000.00]	[\$321.00]	[15 years]

\*Premiums for all Policy Years are shown on the following policy specification page. The annual premium for the Term Life Insurance includes a \$75.00 annual policy fee.

Premiums may be paid [annually, semi-annually, quarterly, monthly, or bi-weekly] by check or any other method we make available at the time the premium is paid or at any mode agreed upon by Us. The mode of payment may be changed at any Policy Anniversary by written agreement. The Modal premium will be determined by multiplying the annual premium by the following factors:

[Annual	Semi-Annual	Quarterly	Monthly	Bi-weekly
1.000	.530	.270	.091	.042]

Your yearly cost will be higher if you choose to pay premiums more frequently than annually. For example, the additional amount you will pay is as follows:

<u>Premium Frequency</u>	<u>Number of payments per year</u>	<u>Modal premium factor</u>	<u>Amount of each premium payment</u>	<u>Total premium per year</u>	<u>Amount you will pay each year in addition to the annual premium</u>
[Annual	1	1	\$321.00	\$321.00	\$0.00
Semi-Annual	2	0.53	\$170.13	\$340.26	\$19.26
Quarterly	4	0.27	\$86.67	\$346.68	\$25.68
Monthly	12	0.091	\$29.21	\$350.52	\$29.52
Bi-Weekly	26	0.042	\$13.48	\$350.48	\$29.48]

# SPECIFICATION DATA

POLICY NUMBER [LSW-12345678]

INSURED [John Doe]

## ANNUAL PREMIUM SCHEDULE

POLICY YEAR	*TERM LIFE INSURANCE POLICY PREMIUMS	POLICY YEAR	*TERM LIFE INSURANCE POLICY PREMIUMS
[01	\$321.00	31	\$6,567.00
02	\$321.00	32	\$7,187.00
03	\$321.00	33	\$7,835.00
04	\$321.00	34	\$8,519.00
05	\$321.00	35	\$9,287.00
06	\$321.00	36	\$10,183.00
07	\$321.00	37	\$11,271.00
08	\$321.00	38	\$12,543.00
09	\$321.00	39	\$13,883.00
10	\$321.00	40	\$15,323.00
11	\$321.00	41	\$16,891.00
12	\$321.00	42	\$18,659.00
13	\$321.00	43	\$20,715.00
14	\$321.00	44	\$23,103.00
15	\$321.00	45	\$25,779.00
16	\$1,455.00	46	\$28,763.00
17	\$1,583.00	47	\$32,007.00
18	\$1,739.00	48	\$35,443.00
19	\$1,919.00	49	\$39,195.00
20	\$2,147.00	50	\$43,367.00
21	\$2,403.00	51	\$48,007.00
22	\$2,667.00	52	\$53,111.00
23	\$2,923.00	53	\$58,627.00
24	\$3,179.00	54	\$64,491.00
25	\$3,479.00	55	\$70,643.00
26	\$3,843.00	56	\$76,771.00
27	\$4,287.00	57	\$82,803.00
28	\$4,803.00	58	\$89,123.00
29	\$5,367.00	59	\$95,787.00
30	\$5,955.00	60	\$96,229.00]

\*The Annual Premium for the Term Life Insurance Policy includes a \$75.00 annual policy fee.  
Refer to Page 3a for information regarding modal Premium Payment Options and Modal Factors.

# SPECIFICATION DATA

POLICY NUMBER	[LSW-12345678]	POLICY DATE	[April 1, 2012]
INSURED	[John Doe]	DATE OF ISSUE	[April 1, 2012]
AGE AT ISSUE	[35]	DATE OF EXPIRY	[April 1, 2072]
SEX	[Male]		
PLAN	Term to attained age 95 Life Insurance		
RATE CLASS	[Standard Non-Tobacco]		
LEVEL PREMIUM PERIOD	[20 Years]		

## SCHEDULE OF BENEFITS

<u>Benefit Description</u>	<u>Face Amount</u>	<u>Annual Premium*</u>	<u>Payable For</u>
Level Term Life Insurance with Accelerated Death Benefit	[\$100,000.00]	[\$357.00]	[20 years]

\*Premiums for all Policy Years are shown on the following policy specification page. The annual premium for the Term Life Insurance includes a \$75.00 annual policy fee.

Premiums may be paid [annually, semi-annually, quarterly, monthly, or bi-weekly] by check or any other method we make available at the time the premium is paid or at any mode agreed upon by Us. The mode of payment may be changed at any Policy Anniversary by written agreement. The Modal premium will be determined by multiplying the annual premium by the following factors:

[Annual 1.000	Semi-Annual .530	Quarterly .270	Monthly .091	Bi-weekly .042]
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Your yearly cost will be higher if you choose to pay premiums more frequently than annually. For example, the additional amount you will pay is as follows:

<u>Premium Frequency</u>	<u>Number of payments per year</u>	<u>Modal premium factor</u>	<u>Amount of each premium payment</u>	<u>Total premium per year</u>	<u>Amount you will pay each year in addition to the annual premium</u>
[Annual	1	1	\$357.00	\$357.00	\$0.00
Semi-Annual	2	0.53	\$189.21	\$378.42	\$21.42
Quarterly	4	0.27	\$96.39	\$385.56	\$28.56
Monthly	12	0.091	\$32.49	\$389.88	\$32.88
Bi-Weekly	26	0.042	\$14.99	\$389.74	\$32.74]

# SPECIFICATION DATA

POLICY NUMBER [LSW-12345678]

INSURED [John Doe]

## ANNUAL PREMIUM SCHEDULE

POLICY YEAR	*TERM LIFE INSURANCE POLICY PREMIUMS	POLICY YEAR	*TERM LIFE INSURANCE POLICY PREMIUMS
[01	\$357.00	31	\$6,567.00
02	\$357.00	32	\$7,187.00
03	\$357.00	33	\$7,835.00
04	\$357.00	34	\$8,519.00
05	\$357.00	35	\$9,287.00
06	\$357.00	36	\$10,183.00
07	\$357.00	37	\$11,271.00
08	\$357.00	38	\$12,543.00
09	\$357.00	39	\$13,883.00
10	\$357.00	40	\$15,323.00
11	\$357.00	41	\$16,891.00
12	\$357.00	42	\$18,659.00
13	\$357.00	43	\$20,715.00
14	\$357.00	44	\$23,103.00
15	\$357.00	45	\$25,779.00
16	\$357.00	46	\$28,763.00
17	\$357.00	47	\$32,007.00
18	\$357.00	48	\$35,443.00
19	\$357.00	49	\$39,195.00
20	\$357.00	50	\$43,367.00
21	\$2,403.00	51	\$48,007.00
22	\$2,667.00	52	\$53,111.00
23	\$2,923.00	53	\$58,627.00
24	\$3,179.00	54	\$64,491.00
25	\$3,479.00	55	\$70,643.00
26	\$3,843.00	56	\$76,771.00
27	\$4,287.00	57	\$82,803.00
28	\$4,803.00	58	\$89,123.00
29	\$5,367.00	59	\$95,787.00
30	\$5,955.00	60	\$96,229.00]

\*The Annual Premium for the Term Life Insurance Policy includes a \$75.00 annual policy fee.  
Refer to Page 3a for information regarding modal Premium Payment Options and Modal Factors.

# SPECIFICATION DATA

POLICY NUMBER	[LSW-12345678]	POLICY DATE	[April 1, 2012]
INSURED	[John Doe]	DATE OF ISSUE	[April 1, 2012]
AGE AT ISSUE	[35]	DATE OF EXPIRY	[April 1, 2072]
SEX	[Male]		
PLAN	Term to attained age 95 Life Insurance		
RATE CLASS	[Standard Non-Tobacco]		
LEVEL PREMIUM PERIOD	[30 Years]		

## SCHEDULE OF BENEFITS

<u>Benefit Description</u>	<u>Face Amount</u>	<u>Annual Premium*</u>	<u>Payable For</u>
Level Term Life Insurance with Accelerated Death Benefit	[\$100,000.00]	[\$438.00]	[30 years]

\*Premiums for all Policy Years are shown on the following policy specification page. The annual premium for the Term Life Insurance includes a \$75.00 annual policy fee.

Premiums may be paid [annually, semi-annually, quarterly, monthly, or bi-weekly] by check or any other method we make available at the time the premium is paid or at any mode agreed upon by Us. The mode of payment may be changed at any Policy Anniversary by written agreement. The Modal premium will be determined by multiplying the annual premium by the following factors:

[Annual 1.000	Semi-Annual .530	Quarterly .270	Monthly .091	Bi-weekly .042]
------------------	---------------------	-------------------	-----------------	--------------------

Your yearly cost will be higher if you choose to pay premiums more frequently than annually. For example, the additional amount you will pay is as follows:

<u>Premium Frequency</u>	<u>Number of payments per year</u>	<u>Modal premium factor</u>	<u>Amount of each premium payment</u>	<u>Total premium per year</u>	<u>Amount you will pay each year in addition to the annual premium</u>
[Annual	1	1.000	\$438.00	\$438.00	\$0.00
Semi-Annual	2	0.530	\$232.14	\$464.28	\$26.28
Quarterly	4	0.270	\$118.26	\$473.04	\$35.04
Monthly	12	0.091	\$39.86	\$478.32	\$40.32
Bi-Weekly	26	0.042	\$18.40	\$478.40	\$40.40]

# SPECIFICATION DATA

POLICY NUMBER [LSW-12345678]

INSURED [John Doe]

## ANNUAL PREMIUM SCHEDULE

POLICY YEAR	*TERM LIFE INSURANCE POLICY PREMIUMS	POLICY YEAR	*TERM LIFE INSURANCE POLICY PREMIUMS
[01	\$438.00	31	\$6,567.00
02	\$438.00	32	\$7,187.00
03	\$438.00	33	\$7,835.00
04	\$438.00	34	\$8,519.00
05	\$438.00	35	\$9,287.00
06	\$438.00	36	\$10,183.00
07	\$438.00	37	\$11,271.00
08	\$438.00	38	\$12,543.00
09	\$438.00	39	\$13,883.00
10	\$438.00	40	\$15,323.00
11	\$438.00	41	\$16,891.00
12	\$438.00	42	\$18,659.00
13	\$438.00	43	\$20,715.00
14	\$438.00	44	\$23,103.00
15	\$438.00	45	\$25,779.00
16	\$438.00	46	\$28,763.00
17	\$438.00	47	\$32,007.00
18	\$438.00	48	\$35,443.00
19	\$438.00	49	\$39,195.00
20	\$438.00	50	\$43,367.00
21	\$438.00	51	\$48,007.00
22	\$438.00	52	\$53,111.00
23	\$438.00	53	\$58,627.00
24	\$438.00	54	\$64,491.00
25	\$438.00	55	\$70,643.00
26	\$438.00	56	\$76,771.00
27	\$438.00	57	\$82,803.00
28	\$438.00	58	\$89,123.00
29	\$438.00	59	\$95,787.00
30	\$438.00	60	\$96,229.00]

\*The Annual Premium for the Term Life Insurance Policy includes a \$75.00 annual policy fee.  
Refer to Page 3a for information regarding modal Premium Payment Options and Modal Factors.

## GENERAL PROVISIONS

### General Terms Used in this Policy

#### **Administrative Office**

The principal location for policy administration as shown on page 1, which may be changed by Us on notice to You.

#### **Attained Age**

The Insured's Age At Issue, as shown on Page 3a, plus the number of completed Policy Years.

#### **Policy Date**

The date We use to determine Policy Anniversaries, Policy Years and Policy Months. If a requested Policy Date should fall on the 29<sup>th</sup>, 30<sup>th</sup>, or 31<sup>st</sup> of a month, the Policy Date will be the 28<sup>th</sup> of such month.

#### **Policy Anniversary**

The same date as the Policy Date for each succeeding year this policy remains in force.

#### **Policy Year**

A one year period of time starting on successive Policy Anniversaries, with the first Policy Year starting on the Policy Date.

#### **Proceeds**

The money We will pay as a death benefit, shown as the applicable Face Amount on Page 3a: less any overdue premium(s); plus any premium refund. All payments by Us under this policy are payable in United States currency.

### **The Contract**

This is Your policy. This policy and the attached copy of the application form the entire contract. All statements made by or for the Insured are, in the absence of fraud, considered to be representations and not warranties. We will not use any statement by or for the Insured to void this policy or to deny a claim unless it is contained in the application.

### **Change of Provisions**

Only one of Our authorized officers can change the terms or waive a provision of this policy. Any such change must be in writing.

### **Incontestability**

We will not contest this policy after it has been in force during the Insured's lifetime for two (2) years from the Date of Issue. This policy may only be contested based on a statement contained in the application. If this policy is reinstated, the incontestability period will start over again beginning on the reinstatement date, but only for statements made in the application for reinstatement. This policy may only be contested based on a statement contained in the application for reinstatement. The statement on which the contest is based shall be material to the risk accepted or hazard assumed by Us.

Notwithstanding the above, We may contest Your policy at any time if it was procured by fraud, as permitted by law of the state in which Your policy was delivered.

### **Misstatement of Age or Sex**

If the Insured's age or sex is misstated, We will adjust any Proceeds payable to the amount which the premiums paid would have purchased at the correct age and sex according to Our rates on the Policy Date.

### **Suicide Exclusion**

If this policy is in force and the Insured commits suicide, while sane or insane, within two (2) years from the Date of Issue, We will limit Our payment to a refund of all premiums paid. If this policy is reinstated, the suicide exclusion shall not exceed two (2) years from the day of reinstatement.

## **DEATH BENEFITS**

### **Death Benefit Proceeds**

The death benefit Proceeds are payable upon receipt of due proof that the Insured has died while this policy is in force prior to the expiry date. The Proceeds consist of:

- a. the Face Amount as shown on page 3a; less
- b. any amounts needed in accordance with the Grace Period provision; plus
- c. a refund of any premium paid beyond the month in which death occurred.

Interest will accrue on death benefit Proceeds from the date of the Insured's death to the date of payment. The rate of such interest will be the rate established by us for funds left on deposit as of the date of death. Additional interest at the rate of 10% annually will apply beginning with the date that is 31 calendar days from the latest of:

- a. the date that due proof of death is received by Us.
- b. the date We receive sufficient information to determine its liability, the extent of the liability, and the appropriate payee legally entitled to the Proceeds; and
- c. the date the legal impediments to payment of Proceeds that depend on the action of parties other than the Company are resolved and sufficient evidence of the same is provided to the Company. Legal impediments to payment include, but are not limited to, the establishment of guardianships and conservatorships, the appointment and qualification of trustees, executors and administrators, and the submission of information required to satisfy state and federal reporting requirements

## **ACCELERATED BENEFITS**

### **Benefit**

If the requirements described in this policy are met, we will pay the Accelerated Benefits Amount to the Owner during the lifetime of the Insured. Such benefit will be paid in lieu of payment of the full death benefit of this policy and subject to the terms of this policy. The Amount will be paid in one lump sum.

### **Accelerated Benefits Amount**

The Accelerated Benefits Amount ("Amount") will be determined when the Owner elects Accelerated Benefits. It will be determined as of the Election Date. The following factors may be used in the determination of the Amount:

- a. future premiums payable under the policy,
- b. future expected lifetime of the Insured,
- c. any administrative fee assessed, and
- d. the Accelerated Benefits Interest Rate in effect.

### **Accelerated Benefits Interest Rate**

We will declare the Accelerated Benefits Interest Rate. It will not exceed the greater of:

- a. the yield on 90-day U.S. Treasury Bills on the Date of Issue, and
- b. the maximum adjustable policy loan interest rate allowed by law on the Election Date.

### **Election of Accelerated Benefit**

The Accelerated Benefits Amount will be paid in lieu of any future death benefit under this policy. This policy will terminate on the Election Date.

### **Election Date**

The Election Date is the date that the Application for Election of Accelerated Benefits is signed by the Owner of this policy.

### **Election**

To elect Accelerated Benefits, the Owner must complete an Application for Election of Accelerated Benefits. We will provide this Application at the Owner's request. The Owner must provide Us with the written consent of any assignee and any irrevocable beneficiaries. We may request a copy of the policy accompany the Application to Our Administrative Office

**Legal Requirements**

If the Owner is required by law to elect Accelerated Benefits to meet the claims of creditors, whether in bankruptcy or otherwise, Accelerated Benefits will not be available.

If the Owner is required by a government agency to elect Accelerated Benefits to apply for, obtain, or keep a government benefit or entitlement, Accelerated Benefits will not be available.

**Physician**

Physician means a doctor of medicine or osteopathy, practicing within the scope of his or her license issued by the jurisdiction in the United States of America in which his or her services are rendered. Physician does not include the Owner, the Insured, or a member of the Owner's or the Insured's Immediate Families. Immediate Families means a person's parents, stepparents, grandparents, spouse, domestic partner, children (adopted, natural, or step), siblings, grandchildren, or in-laws.

**Proof of Terminal Illness**

We must receive written proof satisfactory to Us that the Insured is Terminally Ill. Such written proof must include a statement from a Physician certifying that the Insured is Terminally Ill.

We have the right to have the Insured examined by a physician of Our own choice when and as often as We may reasonably require while an election of Accelerated Benefits is pending. Any such examination will be made at Our expense.

**Terminal Illness**

Accelerated Benefits apply only if the Insured is Terminally Ill. Terminally Ill means that the Insured under this policy has been certified by a Physician as having an illness or chronic condition which can reasonably be expected to result in death in twelve (12) months or less from the date of certification.

## **BENEFICIARIES**

**Designation and Change of Beneficiaries**

The beneficiary is the person or persons named to receive the Proceeds of this policy upon the death of the Insured. The designation of beneficiary in the application shall remain in effect until You change it. You may designate the primary and contingent beneficiaries and further payees of Proceeds.

While the Insured is living You can change the beneficiary by written notice in a form acceptable to us, unless the beneficiary has been designated as irrevocable. The change will take effect as of the date the form was signed, subject to any payment made or other action taken by us before such notice. Any beneficiary You designate as irrevocable must provide written consent for You to exercise any right specified in this policy.

**Succession in Interest of Beneficiaries and Payees**

Unless otherwise provided, the following will apply:

- a. the beneficiary at the Insured's death will be as stated in the designation then in effect;
- b. the Proceeds will be payable in equal shares to the primary beneficiaries who survive the Insured;
- c. the unpaid shares of any primary payee who dies while receiving payments will be payable in equal shares to the other primary payees who survive the Insured;
- d. at the death of the last surviving primary beneficiary, the Proceeds will be payable in equal shares to the contingent beneficiaries who survive the Insured;
- e. the unpaid share of any contingent payee who dies while receiving payments will be payable in equal shares to the other contingent payees who survive;
- f. if there are no surviving beneficiaries, then the Proceeds shall be paid to You or to Your estate.

**General**

A transfer of ownership will not of itself change the interest of any payee. So far as permitted by law, no amount payable under this policy will be subject to the claims of creditors of any payee. A payee succeeding to an interest under a settlement option will continue to be paid under the terms of that option. The rights of a beneficiary under this policy are subordinate to the rights of any person to whom the policy has been assigned.

## **OWNERSHIP**

### **Rights of Ownership**

This policy belongs to You. The Owner is the Insured unless otherwise stated in the application or unless changed under the Transfer of Ownership provision. All rights granted by this policy may be exercised by You only during the Insured's lifetime and thereafter to the extent permitted by titled section Beneficiaries and titled section Settlement Options. All rights may be exercised by You without the consent of any revocable beneficiary. These rights, however, are subject to the written consent of any irrevocable beneficiary.

### **Transfer of Ownership**

You may transfer the Ownership of this policy on forms provided by Us. The written evidence of transfer in good form must be recorded by Us at Our Administrative Office. Once recorded, the transfer will then be effective as of the date it was signed. We may require the return of the policy for endorsement. The transfer is subject to any payment made or other action taken by Us before We received Your written request. You may also name a contingent Owner in the same manner. The contingent Owner will become the Owner if the named contingent Owner is living and You are still the Owner at the time of Your death.

### **Collateral Assignment**

You may also assign this policy as collateral security by notifying Us in writing. Unless otherwise specified by You, any assignment will be effective on the date the notice is signed by you, subject to any payments made or actions taken by Us prior to receipt of this notice. No assignment of this policy will be binding on us unless it is in writing and filed at our Administrative Office. Your rights and the rights of any beneficiary will be subject to the rights of any assignee. We assume no responsibility for the validity of any assignment. A collateral assignee is not an Owner. A collateral assignment is not a transfer of ownership. Ownership can be transferred only as set forth in the Transfer of Ownership provision.

## **PREMIUM PAYMENT AND REINSTATEMENT**

### **Grace Period**

A 31-day grace period will be allowed for payment of any premium after the first. The policy will remain in force during this period. If the Insured dies within the grace period, any overdue premium will be paid from the Proceeds of the policy. If the premium is not paid within the grace period, the policy will lapse as of the due date. Any payments sent by U.S. mail must be postmarked before the end of the grace period.

### **Nonparticipation**

This policy does not share in Our earnings. No dividends are payable.

### **Premium**

All premiums after the first are payable at Our Administrative Office. All premiums are payable in United States currency. A premium must be paid on or before its due date. We will provide a premium receipt upon request if required by the laws of the state in which this policy is delivered. The annual premiums for this policy are shown on Page 3b. Premiums may be paid monthly, quarterly, semi-annually, annually, bi-weekly. Our modal factors are shown on Page 3a. The mode of payment may be changed at any Policy Anniversary by written agreement.

### **Premium Refund**

We will refund, as part of the Proceeds, the portion of the premium paid for a period beyond the policy month in which the Insured dies. There shall be no other premium refund except as required by law.

### **Reinstatement**

This policy lapses at the end of the grace period. It may be reinstated during the lifetime of the Insured and within five (5) years after the due date of the unpaid premium. Reinstatement is subject to:

- a. evidence of insurability satisfactory to Us; and
- b. payment of all overdue premiums; and
- c. interest on all overdue premiums from the due date of each premium. The interest is six percent (6%) per annum, compounded annually.

## SETTLEMENT & SETTLEMENT OPTIONS

### General Payment Terms

When the Insured dies while the policy is in force, Proceeds may be paid in a lump sum or left with Us for payment under a settlement option that We make available. The Proceeds will include any premium refund payable.

A settlement option may be elected only if the amount of the Proceeds is \$25,000 or more. We may change the interval of payments to three (3), six (6), or twelve (12) months, if necessary to increase the payments under the settlement option to at least \$250 each.

The annuity benefits at the time of their commencement will not be less than those that would be provided by the application of the Proceeds to purchase a single consideration immediate annuity contract at purchase rates offered by the Company at the time to the same class of annuitants.

You may make, change or revoke an election at any time while the Insured is alive. Following the death of the Insured, the beneficiary may elect an option if You have not elected one or if Proceeds are payable in one lump sum. A beneficiary may make a change in payment under a settlement option You elect only if You provided for it in Your election.

A change of beneficiary automatically cancels a previous election of a settlement option.

If this policy is assigned, the assignee's portion of Proceeds will be paid in one lump sum. Any balance of Proceeds may be applied under a settlement option.

To the extent allowed by law, all payments under the policy will be free from creditor claims or legal process.

### OPTIONS

An option cannot be chosen after the proceeds have been paid.

#### Option I – Payments of Interest Only

Interest at a rate of [1.5%] per year shall be paid either for the life of the payee or for a chosen period. We may pay more interest in any year. Upon the earlier of the death of the payee or the end of the chosen period, any remaining value will be paid. The first payment shall be made one month after the Effective Date. If the payee is not a human being, payments may not continue for more than thirty (30) years.

#### Option II – Payments for Stated Time

Equal Monthly payments shall be made for a stated number of years. The first payment shall be made on the Effective Date. The amount of each monthly payment is shown in the table. The monthly payments are based on an interest rate of [1.5%] per year. We may pay more interest in any year.

Option 2 Table

Monthly Payments for Each \$1,000 of Proceeds			
Stated Number of Years	Monthly Payments	Stated Number of Years	Monthly Payments
5	17.28	18	5.27
6	14.51	19	5.03
7	12.53	20	4.81
8	11.04	21	4.62
9	9.89	22	4.44
10	8.96	23	4.28
11	8.21	24	4.13
12	7.58	25	3.99
13	7.05	26	3.86
14	6.59	27	3.75
15	6.20	28	3.64
16	5.85	29	3.54
17	5.55	30	3.44]

### Option III – Payments for Life

Equal monthly payments shall be made for any guaranteed period chosen and thereafter during the life of a chosen human being. The first payment shall be made on the Effective Date. The amount of each monthly payment depends on the age and sex of the chosen human being on the Effective Date and on any guaranteed period chosen. We may require proof to our satisfaction of such age. We may require like proof that such human being is alive on the date any payment is due. The guaranteed period may be 5, 10, 15, or 20 years or a Refund period. A refund period extends until the sum of the payments is equal to the proceeds placed under the option. The monthly payments are based on an interest rate of [1.5%] per year. We may pay more interest in any year during the guaranteed period. We will quote the amount of monthly payments for lower ages and guaranteed periods not shown in the Option III Table on request.

Option 3 Table						
Monthly Payments for Each \$1,000 of Proceeds						
(Amounts shown are for the age nearest birthday on the Option Effective Date)						
Guaranteed Period						
Age	Male			Female		
	None	10 Years	Refund	None	10 Years	Refund
[50]	\$3.24	\$3.22	\$3.02	\$3.00	\$2.99	\$2.86
51	3.31	3.29	3.08	3.06	3.05	2.91
52	3.39	3.36	3.13	3.13	3.11	2.96
53	3.47	3.44	3.19	3.19	3.18	3.02
54	3.55	3.51	3.25	3.26	3.25	3.07
55	3.63	3.60	3.31	3.34	3.32	3.13
56	3.73	3.68	3.38	3.41	3.39	3.19
57	3.82	3.77	3.45	3.50	3.47	3.26
58	3.92	3.87	3.52	3.58	3.56	3.32
59	4.03	3.97	3.60	3.68	3.64	3.39
60	4.15	4.07	3.67	3.78	3.74	3.46
61	4.27	4.19	3.76	3.88	3.83	3.54
62	4.40	4.30	3.84	3.99	3.94	3.62
63	4.54	4.42	3.93	4.11	4.05	3.70
64	4.69	4.55	4.02	4.23	4.16	3.79
65	4.85	4.69	4.12	4.37	4.28	3.88
66	5.02	4.83	4.23	4.51	4.41	3.98
67	5.20	4.98	4.33	4.66	4.55	4.08
68	5.39	5.13	4.45	4.83	4.69	4.19
69	5.60	5.29	4.57	5.00	4.84	4.30
70	5.82	5.45	4.70	5.19	5.00	4.43
71	6.05	5.62	4.82	5.39	5.17	4.55
72	6.30	5.79	4.96	5.61	5.34	4.68
73	6.57	5.96	5.11	5.85	5.52	4.82
74	6.85	6.14	5.25	6.11	5.71	4.98
75	7.15	6.32	5.41	6.39	5.91	5.13
76	7.47	6.51	5.59	6.69	6.11	5.30
77	7.82	6.69	5.75	7.01	6.31	5.47
78	8.19	6.87	5.93	7.36	6.52	5.66
79	8.59	7.05	6.14	7.74	6.73	5.85
80	9.01	7.22	6.34	8.16	6.93	6.04
81	9.47	7.39	6.55	8.60	7.13	6.29
82	9.95	7.56	6.77	9.09	7.33	6.50
83	10.47	7.71	7.00	9.61	7.52	6.76
84	11.02	7.86	7.25	10.18	7.69	7.00
85+	11.61	8.00	7.52	10.79	7.86	7.26]

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LIMITATIONS AND EXCLUSIONS UNDER THE ARKANSAS LIFE AND HEALTH INSURANCE  
GUARANTY ASSOCIATION ACT

Residents of this state who purchase life insurance, annuities or health and accident insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association"). The purpose of the Guaranty Association is to assure that policy and contract owners will be protected, within certain limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of policy owners who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by the member insurers through the Guaranty Association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting insurance companies that are well managed and financially stable.

DISCLAIMER

The Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association") may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions and require continued residency in this state. You should not rely on coverage by the Guaranty Association in purchasing an insurance policy or contract.

Coverage is NOT provided for your policy or contract or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.

Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

The Arkansas Life and Health Insurance Guaranty Association  
c/o The Liquidation Division  
1023 West Capitol  
Little Rock, Arkansas 72201

Arkansas Insurance Department  
1200 West Third Street  
Little Rock, Arkansas 72201-1904

The state law that provides for this safety-net is called the Arkansas Life and Health Insurance Guaranty Association Act ("Act"). Below is a brief summary of the Act's coverages, exclusions and limits. This summary does not cover all provisions of the Act; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Guaranty Association.

## COVERAGE

Generally, individuals will be protected by the Guaranty Association if they live in this state and hold a life, annuity or health insurance contract or policy, or if they are insured under a group insurance contract issued by a member insurer. The beneficiaries, payees or assignees of policy or contract owners are protected as well, even if they live in another state.

## EXCLUSIONS FROM COVERAGE

- However, persons owning such policies are NOT protected by the Guaranty Association if:
- They are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insured who live outside that state);
- The insurer was not authorized to do business in this state;
- Their policy or contract was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to future assessments or by an insurance exchange.

The Guaranty Association also does NOT provide coverage for:

- Any policy or contract or portion thereof which is not guaranteed by the insurer or for which the owner has assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract;
- Any policy of reinsurance (unless an assumption certificate was issued);
- Interest rate yields that exceed an average rate;
- Dividends and voting rights and experience rating credits;
- Credits given in connection with the administration of a policy by a group contract holder;
- Employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- Unallocated annuity contracts (which give rights to group contract holders, not individuals);
- Unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation ("FPBC") (whether the FPBC is yet liable or not);
- Portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- Portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- Obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- Contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliated benefit plan or its trustees).

## LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Guaranty Association is obligated to cover: The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 – no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 in limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or net cash surrender values - again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages. There is a \$1,000,000 limit with respect to any contract holder for unallocated annuity benefits, irrespective of the number of contracts held by the contract holder. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer.